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State of Montana Board of Investments 1975-1976 Fiscal Year Report



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CONTENTS

Introduction	1	Common Stock Performance	48
Source of Investments	3	Teachers' Retirement Fund	49
1975-76 Operations	4	Trust & Legacy Fund	59
Summary of Security Transactions.....	6	Workers' Compensation Fund	63
Type of Investments	7	Occupational Disease Fund	66
Total Investment Income	8	Subsequent Injury Fund	67
Short-Term Investment Pool.....	9	Hail Insurance Fund	68
Treasurer's Fund.....	10	Social Security Fund.....	68
Public Employees' Retirement System Fund.....	11	Game Wardens' Retirement Fund.....	69
Teachers' Retirement Fund	13	Capitol Building Fund	70
Trust & Legacy Fund	14	Long Range Building Sinking Fund	71
Workers' Compensation Fund	15	Long Range Building Fund	71
		Montana Judges Retirement Fund	72
		Statewide Police Reserve Fund.....	73
		Highway Patrol Retirement Fund	74
		Sheriffs' Retirement Fund	76
		Volunteer Firemen's Fund.....	77
		University of Montana Pool Fund	78
		University of Montana Field House Fund	78
		William L. Murphy Fund	79
		Dixon Endowment Fund	79
		Northern Montana College 1960 Series B	
		Reserve Fund	80
		Eastern Montana College Trust Fund	80
		Montana State University Physical	
		Education Fund.....	80
		Montana State University Current	
		Restricted Fund.....	81
		Montana State University NACUBO Fund.....	81
		Montana State University Current	
		Designated Fund.....	81
		Livestock Commission Fund	82
		Water Well Fund.....	82
		Cosmetology Fund.....	82
		Resource Indemnity Fund.....	83
		Teachers' Retirement Fullam Fund.....	84
		Trust Contractors' License Fund	84
		Short-Term Investment Pool	85
Financial Statements			
Statement of Condition	17		
Statement of Operations.....	17		
Statement of Changes In Condition	18		
STIP Statement of Condition	19		
STIP Statement of Changes In Net Asset			
Value	19		
STIP Statement of Income and Disbursements.....	20		
Schedule A Source of Investments.....	21		
Schedule B Type of Investments	22		
Schedule C Investment Income 1975-1976			
Fiscal Year	23		
Schedule D Summary of Bond Swaps.....	25		
Schedule E Unamortized Deferred Gains			
(or) Losses On Bond Swaps.....	25		
Financial Notes	26		
Notes to STIP Statements	27		
Portfolio Index			
Short-Term Investment Pool.....	29		
Treasurer's Fund.....	35		
Public Employees' Retirement System Fund.....	37		
Common Stock Portfolio	47		

INTRODUCTION

The Board of Investments completed its fifth year of operation as of June 30, 1976. Founded by the 42nd Legislative Assembly in 1971, the Board established four goals at its first meeting. They are:

1. To centralize all state investments;
2. To invest idle state cash;
3. To increase earnings on state investments; and
4. To establish a sound system of control over the investment process, including provisions for financial reporting, measurement of investment results, and an independent audit.

These goals have remained central to the Board's policy since its inception.

Investing in Montana also has been an objective of the Board. To this end, it actively sought mortgage offerings from Montana financial institutions and in fiscal 1976 the amount of Montana mortgage holdings increased 2.2 percent to \$42.3 million. This reversed the declining trend of the mortgage balance during the previous four years when many of the old, low yielding mortgages accelerated their principal payoffs. Also, during fiscal 1976, the Board initiated a program of offering to buy certificates of deposit or savings certificates with two to five year maturities on a bid basis from state banks and savings and loan associations. For the year, the amount invested in Montana certificates of deposit increased 10 percent to \$44.9 million; this was the fifth consecutive yearly increase in these holdings.

In fiscal 1976 capital markets regained their stability after a tumultuous period of economic uncertainty. Accompanying this stability was a gradual decline in overall interest rates. The stock market reflected an improved economy as market values and dividends showed distinct improvements.

Capital market stability can be illustrated by a comparison of the levels of representative interest rates. As can be seen from the graph on page 5, short-term interest rates declined substantially. In the case of bankers' acceptances, rates for fiscal 1976 averaged 5.78 percent compared to 8.36 percent in fiscal 1975. This translates into a 31 percent decrease. Average rates on commercial paper, another short-term instrument, declined from 8.27 percent in fiscal 1975 to 5.91 percent in fiscal 1976 — or 29 percent.

All major funds invested by the Board have varying degrees of short-term exposure within their portfolios. Consequently, any major decline in short-term interest rates will affect such portfolios by reducing income and yields. The severity of this impact is directly related to the proportion of the portfolio invested in short-term securities. Such funds as the Short-Term Investment Pool and the Treasurer's Fund, with a large proportion of their monies invested in short-term instruments, have been affected in fiscal 1976.

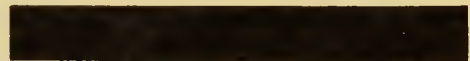
Consistent with the fall in short-term rates, long-term rates have also declined. The graph on page 5 shows AAA corporate bonds yields. In fiscal 1976, these long-term rates averaged 8.70 percent compared to the previous year's average of 8.90 percent; this represents a 2 percent decline.

Unlike the short-term investment process, long-term portfolios are not constantly maturing and being reinvested. A substantial portion of the portfolio in the long-term funds, such as the Public Employees' Retirement System and the Teachers' Retirement System, is locked in at previous yield rates. Therefore, when long-term rates decline, as was true in fiscal 1976, the only portion of the portfolio which will be affected on a yield basis will be the new monies coming into

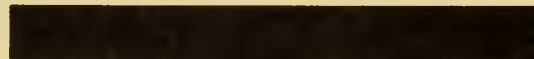
the funds. However, as market rates and market values of bonds are inversely related, the market value of the bond portfolio, exclusive of new investments, will appreciate in a period of declining interest rates. This was the case for the long-term portfolios managed by the Board in fiscal 1976.

Finally, there was a substantial improvement in the market values for common stocks during the fiscal year. The Dow Jones Industrial Average increased almost 130 points, a gain of nearly 15 percent. Dividends, not surprisingly, also increased as many companies prospered. Only two funds invested by the Board, the Public Employees' Retirement System and Teachers' Retirement System funds, actively participate in a common stock investment program. In each case, common stock comprises about 5 percent of the total invested balance.

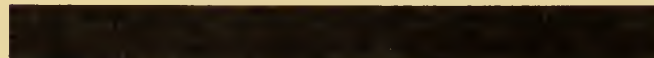
TOTAL INVESTMENTS AT COST



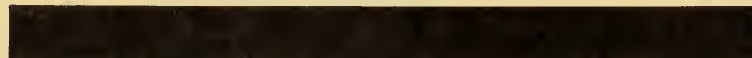
June 30, 1972 _____ \$320,991,887



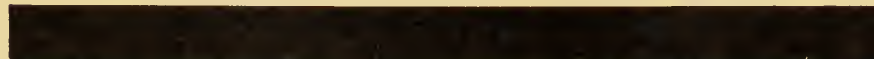
June 30, 1973 _____ \$381,387,411



June 30, 1974 _____ \$467,446,551



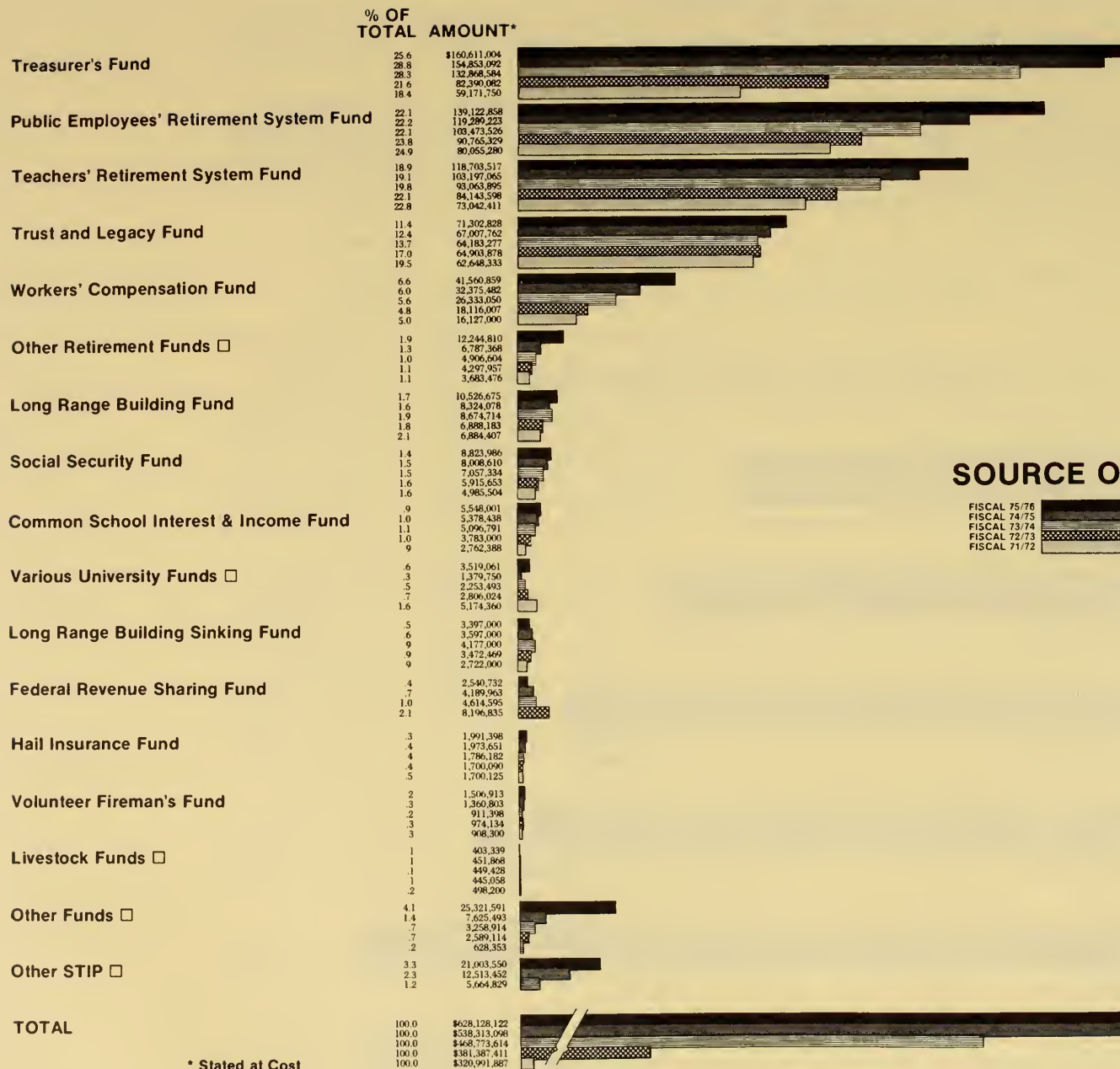
June 30, 1975 _____ \$537,836,733



June 30, 1976 _____ \$626,925,239

Up 16.6%





SOURCE OF INVESTMENTS



* Stated at Cost
□ See Schedule A

1975-76 OPERATIONS

At fiscal 1976 year-end, the Board had 33 major funds under management. This includes the Short-Term Investment Pool which has 92 state and local participants.

Total investments, stated at book value, had increased 17 percent from the previous fiscal year-end to a record \$626.9 million. Total investment income for the fiscal year represented a record also, as it increased 8 percent to \$40.3 million. The average portfolio yield for all funds invested was 7.16 percent compared to the previous year's 7.67 percent.

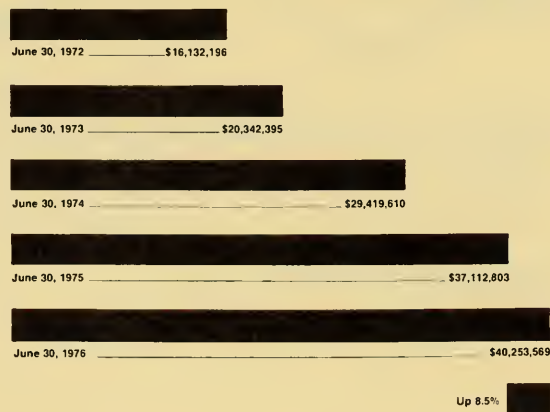
This lower yield figure can be attributed to market conditions. As discussed in the introduction, both long-term and short-term interest rates declined during fiscal 1976. The change in the average portfolio yield between fiscal 1975 and fiscal 1976 was equal to a 7 percent decline. This compares with similar drops of 29 percent for commercial paper, 31 percent for bankers' acceptances and 2 percent for long-term AAA corporate bond rates. While the fall in the average portfolio yield in itself is disappointing, the comparison to market rates of interest shows that the portfolios performed well under adverse conditions.

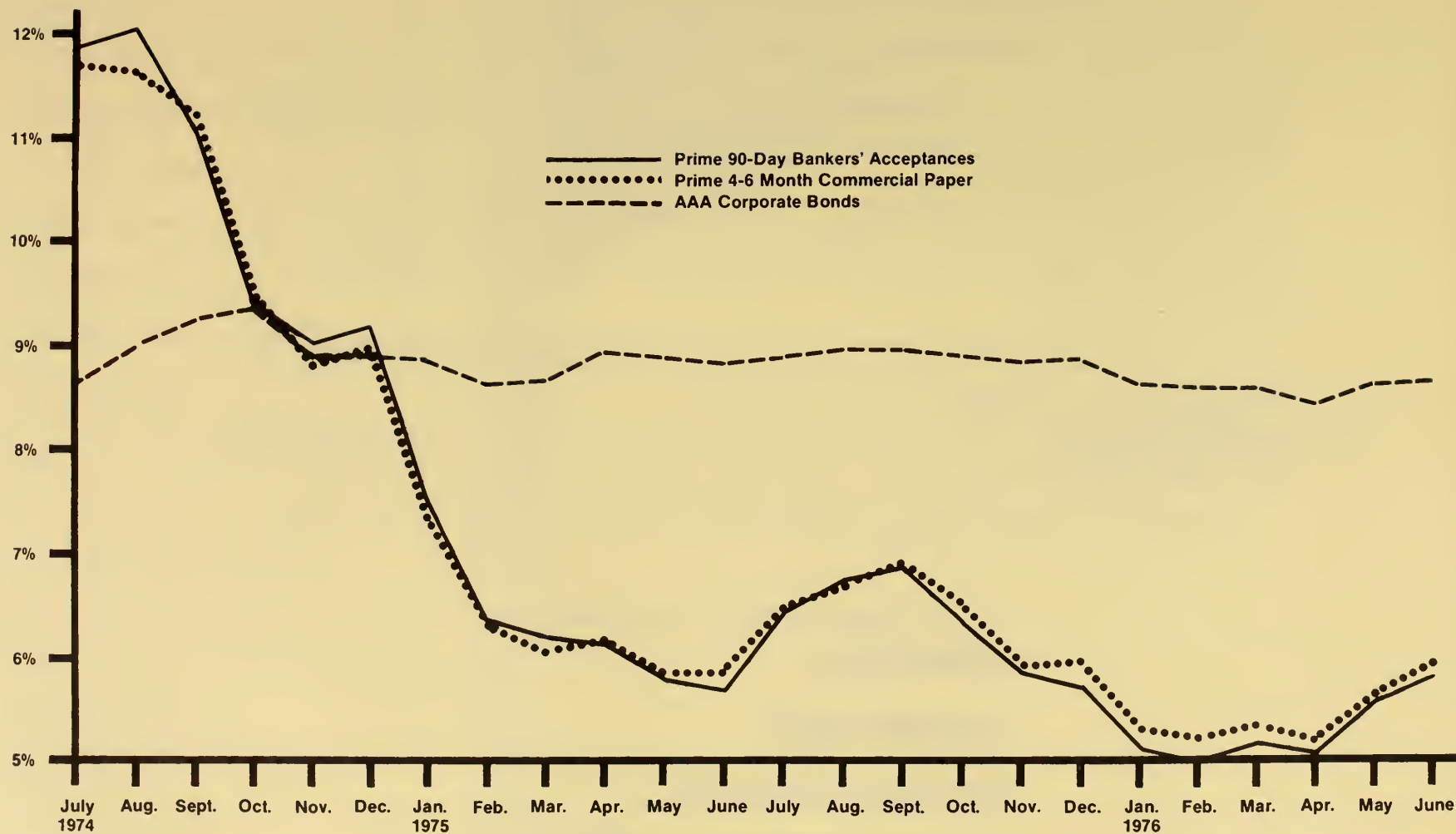
Security transactions for the year totaled a record \$8.4 billion and doubled the previous year's \$4.2 billion. The number of transactions totaled 1838 for the year. Short-term trading accounted for 95 percent of the dollar volume with the majority of this activity involving money-market instruments.

The substantial growth of investment funds and transaction activity over the past few years has necessitated changes in staffing. During the fiscal year, a short-term portfolio manager, a security analyst, and an accountant were added to the staff. These additions resulted in a net gain of one employee due to promotion and attrition.

The Legislative Auditor has audited the investment records for fiscal year 1975. An audit for fiscal year 1976 is currently underway. This is in keeping with the law which requires an annual audit.

TOTAL INVESTMENT INCOME





Source: U.S. Dept. of Commerce, *Survey of Current Business*, July 1967 to July 1976.

SUMMARY OF SECURITY TRANSACTIONS
6/30/76

SHORT-TERM

PURCHASES:	PAR VALUE	COST/PROCEEDS
Bankers' Acceptances	\$ 292,936,567	\$ 289,475,142
Certificates of Deposit	51,082,800	51,082,800
Commercial Paper	432,620,000	430,984,253
Government Securities	460,894,000	460,545,801
Repurchase Agreements	<u>6,610,979,251</u>	<u>6,610,979,251</u>
TOTAL	<u>\$ 7,848,512,618</u>	<u>\$ 7,843,067,247</u>
SALES:		
Short-Term	<u>\$ 132,565,731</u>	<u>\$ 132,734,159</u>
TOTAL SHORT-TERM TRANSACTIONS	<u>\$ 7,981,078,349</u>	<u>\$ 7,975,801,406</u>

LONG-TERM

PURCHASES:		
Common Stock - Shares 66,647	\$ 0	\$ 1,495,750
Corporate Bonds	67,020,834	65,516,171
Government Securities	346,090,000	345,152,343
Mortgages	<u>6,084,591</u>	<u>5,949,558</u>
TOTAL	<u>\$ 419,195,425</u>	<u>\$ 418,113,822</u>
SALES:		
Common Stock - Shares 29,000	\$ 0	\$ 1,217,638
Corporate Bonds	7,705,000	7,549,598
Government Securities	<u>9,717,000</u>	<u>8,842,322</u>
TOTAL	<u>\$ 17,422,000</u>	<u>\$ 17,609,558</u>
TOTAL LONG-TERM TRANSACTIONS	<u>\$ 436,617,425</u>	<u>\$ 435,723,380</u>
TOTAL TRANSACTIONS	<u>\$ 8,417,695,774</u>	<u>\$ 8,411,524,786</u>

TOTAL NUMBER OF TRANSACTIONS 1,838



**% OF
CHANGE AMOUNT**

Treasurer's Fund

(12.6)
45.5 \$ 10,602,326
12,135,349
8,340,038
3,385,647
1,507,755

Public Employees' Retirement System Fund

20.5
19.5 9,151,694
7,593,641
6,351,912
5,471,055
4,566,690

Teachers' Retirement System Fund

15.1
12.4 7,712,986
6,702,284
5,963,110
5,075,517
4,402,802

Trust & Legacy Fund

20.5
6.6 4,468,168
3,706,778
3,476,332
3,349,227
2,666,280

Workers' Compensation Fund

25.8
42.4 2,648,481
2,105,791
1,478,969
1,084,250
868,789

Long Range Building Fund

5.5
23.8 828,903
785,803
634,752
434,478
738,234

Other Retirement Funds

91.6
20.7 738,771
385,561
319,369
253,245
214,632

Various University Funds

274.1
(23.9) 608,192
162,578
213,554
191,141
323,365

Social Security Fund

(24.1)
27.3 458,605
604,250
474,642
247,054
188,417

Long Range Building Sinking Fund

.1
(8.7) 262,793
260,681
285,399
224,100
189,820

Federal Revenue Sharing Fund

(70.8)
(20.2) 146,117
500,894
628,027
130,783

Other Funds

5.7
29.3 1,496,455
1,406,681
1,088,220
495,896
465,412

Other STIP

49.5
361.9 1,140,078
762,512
165,086

TOTAL

8.5
26.2 \$ 40,253,569
\$ 37,112,803
\$ 29,419,610
\$ 20,342,395
\$ 16,132,196

TOTAL INVESTMENT INCOME

FISCAL 75/76
FISCAL 74/75
FISCAL 73/74
FISCAL 72/73
FISCAL 71/72

SHORT-TERM INVESTMENT POOL

Fiscal 1976 marked the third year of operation for the Short-Term Investment Pool (STIP). The 43rd Legislative Assembly directed the Board to establish STIP and the pool became operational as of July 1, 1973.

Any Montana city, county, school district, or political subdivision may invest in STIP. As of June 30, 1976, STIP had ninety-two participants including five (5) university units, fifty-eight (58) local governments, and twenty-nine (29) state accounts. During the fiscal year, the number of participants increased 58 percent.

STIP provides a short-term investment vehicle to participants with a relatively small amount to invest. The minimum participation in the fund is \$1,000. Investment in STIP affords the participant excellent liquidity while generating a return. Non-interest bearing demand accounts can be reduced, thus enhancing fiscal cash management. In addition, the participant may utilize STIP as a liquid, long-term investment alternative.

Approximately 7 percent of the portfolio is invested in long-term corporate and government obligations; 30 percent is invested in intermediate-term securities; and the remaining 63 percent is invested short-term, mainly in money market instruments.

As of June 30, 1976, STIP's total investments, stated at book value, stood at \$163.8 million. This represents a 23 percent increase from the total invested at the end of fiscal 1975.

Participants in STIP from July 1, 1975 through June 30, 1976 earned an average return of 7.02 percent which compares to 9.04 percent for the previous fiscal year. The change in STIP's yield in fiscal 1976 can be attributed to the decline in interest rates which occurred during the year. The rates for commercial paper and bankers' acceptances, two comparable short-term instruments, declined 29 percent and 31 percent respectively. The decline in the level of STIP's yield during the fiscal year was 22 percent.

ANALYSIS OF INVESTMENTS

TYPE:	Fiscal COST	74/75 %	Fiscal COST	75/76 %	% CHANGE
Montana Certificates of Deposit	\$ 26,425,000	19.8	\$ 36,850,000	22.5	39.5
Repurchase Agreements	8,840,000	6.6	6,837,000	4.2	(22.7)
U.S. Treasury Obligations	991,338	0.8	25,603,783	15.6	2482.6
Government Agency Obligations	19,276,875	14.4	19,758,750	12.1	2.5
Canadian Obligations	4,810,000	3.6	4,862,500	3.0	1.1
Corporate Obligations	73,036,943	54.8	69,892,970	42.6	(4.3)
TOTAL INVESTMENTS	\$ 133,380,156	100.0	\$ 163,805,003	100.0	22.8

TREASURER'S FUND

The Treasurer's Fund (surplus treasury cash) as of June 30, 1976 represented the largest fund under the Board's management. The investment balance is determined by the state's fiscal position and is subject to wide fluctuations.

As a consequence of the fund's nature, a large proportion of the portfolio is invested in short-term securities. Referring to the Analysis of Investments listed below, it can be seen that \$102.4 million of the fund is invested in the Short-Term Investment Pool. In addition, approximately \$29.3 million is placed in repurchase agreements and Montana certificates of deposit. These short-term investments represent nearly 82 percent of the entire portfolio. Thus, the short-term maturity structure meets the dual requirements of the fund: to provide the state with the liquidity to meet its financial obligations while simultaneously generating income on surplus monies.

At fiscal year-end, the invested balance of \$160.6 million stated at book value, represented a 4 percent increase over year-end 1975. Investment income for the year was \$10.6 million, a 13 percent decline from the fiscal 1975 figure.

The portfolio yield, determined by dividing yearly income by the average daily invested balance, was 6.74 percent in fiscal 1976. This compares with the 8.66 percent yield achieved in the year before.

The decline of investment income and in the portfolio yield can be explained by the continued decline of short-term market interest rates. By its nature, the fund is restricted to short-term securities which provide little flexibility in accommodating market fluctuations of interest rates. As stated in the introduction, the level of short-term interest rates declined drastically as evidenced by the respective 29 percent and 31 percent fall in the rates for commercial paper and bankers' acceptances. However, the comparable decline in the level of the Treasurer's Fund's yield was just over 22 percent. While the decline in the yield is disappointing, the relative market performance was favorable.

ANALYSIS OF INVESTMENTS

TYPE:	Fiscal COST	74/75 %	Fiscal COST	75/76 %	% CHANGE
Montana Certificates of Deposit	\$ 13,690,000	8.8	\$ 7,490,000	4.7	(45.3)
Repurchase Agreements	30,500,000	19.7	21,760,000	13.5	(28.7)
U.S. Treasury Obligations	5,006,541	3.3	28,996,458	18.1	479.2
Corporate Obligations	4,983,386	3.2	—0—		(100.0)
Short Term Investment Pool	100,673,165	65.0	102,364,546	63.7	1.7
TOTAL INVESTMENTS	\$ 154,853,092	100.0	\$ 160,611,004	100.0	3.7

PUBLIC EMPLOYEES' RETIREMENT SYSTEM FUND

The Public Employees' Retirement System Fund (PERS) is the second largest fund managed by the Board. The invested balance is derived from the contributions of both public employers and employees.

The Public Employees' Retirement System and the Teachers' Retirement System Fund are the only funds managed by the Board which are active participants in a common stock investment program. However, the portfolio is predominantly comprised of fixed income obligations with over 95 percent invested in such securities. Daily attention is given to the cash balance and invested on a short-term basis until appropriate long-term commitments can be made.

The invested balance of PERS, stated at book value, stood at a record \$139.1 million on June 30, 1976. This represents a gain of 17 percent for the year. Total investment income for the year was a record \$9.15 million, 20 percent higher than fiscal 1975.

The fund produced a record high yield for the year of 7.34 percent compared to the 7.06 percent registered in fiscal 1975. This increase in the level of the portfolio yield is significant as it occurred during a period when interest rates, both short and long-term, were declining. There are two main reasons for the increase in the portfolio's yield and income. First, a systematic program of swapping low yielding securities for higher yielding securities, so as to improve income, is in effect. In previous years a substantial portion of the portfolio was invested when interest rates were relatively low. Secondly, new monies have been invested at higher rates than the portfolio's average yield.

The common stock program of this fund and the Teachers' Retirement System Fund had been in effect for three years as of June 30, 1976. The maximum exposure to common stocks is set, by law, at 20 percent of the invested balance. At present, however, less than 5 percent is invested in common stocks. The policy of the Board is to gradually build the portfolio with the net cash inflow. This precludes the disposal of existing investments for the purchase of common stocks. Currently, the cash inflow of PERS exceeds the amount being invested in common stocks. The result is that monies are also being committed to fixed income securities during a period of higher interest rates.

The purpose of common stock investing is to provide long-term growth characteristics to the total portfolio. The Board is hesitant, then, to follow short-run standards in gauging performance. However, a continuous common stock performance measurement system has been initiated by the Board, and for the fiscal year the equity holdings did exceptionally well. As of June 30, 1976, the unrealized market value appreciation of the common stocks over the actual cost was \$1.8 million, or 27 percent.

The Montana common stock portfolio had a return of 19.08 percent for the fiscal year on a time weighted basis. This compares to a 14.03 percent return for the Standard & Poor's 500 and a median return of 8.07 percent for more than 3000 funds included in a report by A. G. Becker. The common stock portfolio and the related performance statistics are presented in detail on pages 47 and 48.

A continuous performance measurement of the fixed income portion of the portfolio is being implemented and will be operational by June 30, 1977.

ANALYSIS OF INVESTMENTS

TYPE:	Fiscal COST	74/75 %	Fiscal COST	75/76 %	% CHANGE
Montana Obligations	\$ 1,254,655	1.0	\$ 1,178,756	0.8	(6.0)
Repurchase Agreements	—0—	—0—	1,000,000	0.7	100.0
U.S. Treasury Obligations	—0—	—0—	482,889	0.4	100.0
Government Agency Obligations	2,152,344	1.8	1,874,359	1.3	(12.9)
U.S. Govt. Guaranteed Obligations	500,000	.4	2,994,625	2.2	498.9
Canadian Obligations	4,561,600	3.8	8,062,932	5.8	76.8
Corporate Obligations	85,264,100	71.5	96,698,410	69.5	13.4
Common Stock	6,287,008	5.3	6,623,685	4.8	5.4
Montana Mortgages	19,116,505	16.1	20,050,953	14.4	4.9
Land and Building	153,011	0.1	156,249	0.1	2.1
TOTAL INVESTMENTS	<u><u>\$ 119,289,223</u></u>	<u><u>100.0</u></u>	<u><u>\$ 139,122,858</u></u>	<u><u>100.0</u></u>	<u><u>16.6</u></u>

TEACHERS' RETIREMENT FUND

The Teachers' Retirement System is the third largest fund managed by the Board of Investments. The fund's total invested balance, stated at book value, was \$118.7 million as of June 30, 1976. This represents a 15 percent increase over the previous fiscal year. Investment income for the year totaled \$7.7 million and increased 15 percent from June 30, 1975. The portfolio produced an average yield of 7.20 percent compared to the 7.07 percent registered in the preceding fiscal year. The increase is notable since it occurred in a period when interest rates were declining substantially.

The portfolio's income and yield results improved due to an active program of bond swapping whereby lower yielding securities were traded for higher yielding ones. Also, new monies were invested at higher rates than the previous portfolio yield. Finally, a short-term investment program kept surplus funds fully invested until appropriate long-term commitments could be made.

The common stock investment program, in which the Teachers' Retirement System and Public Employees' Retirement System participate equally, completed its third year of operation as of June 30, 1976. While a maximum exposure to common stocks of 20 percent is allowed, less than 6 percent of the fund's portfolio is currently invested in common stocks. It is the policy of the Board to gradually build the portfolio from net cash inflows rather than through the liquidation of existing investments.

During the fiscal year, the performance of the common stock portfolio was exceptional. As of June 30, 1976, the unrealized appreciation of market value over original cost was \$1.8 million or better than 27 percent. According to a time-weighted rate of return study, the portfolio registered a 19.08 percent return compared with 14.03 percent for the Standard & Poor's 500, and a median return of 8.07 percent among over 3000 funds measured by A. G. Becker. The common stock portfolio and related performance statistics are presented in detail on pages 47 and 48.

A continuous performance measurement of the fixed income portion of the portfolio has been implemented and will be operational by June 30, 1977.

ANALYSIS OF INVESTMENTS

TYPE:	Fiscal COST	74/75 %	Fiscal COST	75/76 %	% CHANGE
Repurchase Agreements	\$ —0—	—0—	\$ 1,931,000	1.6	100.0
U.S. Treasury Obligations	—0—	—0—	482,889	0.4	100.0
Government Agency Obligations	1,156,796	1.2	1,155,626	1.0	(.1)
U.S. Govt. Guaranteed Obligations	503,077	.5	2,490,625	2.2	395.1
Canadian Obligations	5,751,664	5.6	8,758,736	7.4	52.3
Corporate Obligations	68,091,078	66.0	75,602,024	63.6	11.0
Common Stock	6,287,008	6.0	6,680,056	5.6	6.3
Montana Mortgages	21,233,392	20.5	21,432,474	18.1	0.9
Land and Building	174,050	0.2	170,087	0.1	(2.3)
TOTAL INVESTMENTS	\$ 103,197,065	100.0	\$ 118,703,517	100.0	15.0

TRUST AND LEGACY FUND

The Trust and Legacy Fund is the fourth largest fund managed by the Board. It is a permanent fund whose income is used to support Montana schools. All income earned by the portfolio is distributed, mostly to local school districts.

As of July 1, 1973, new legislation permitted the Board to invest the fund's assets in prime quality corporate bonds. Historically, Trust and Legacy's investments were limited to U.S. Government obligations and bonds fully guaranteed by the federal government. The new law has provided excellent investment alternatives which have resulted in substantial income improvement.

The invested balance, stated at book value, at the end of the 1976 fiscal year totaled \$71.3 million, an increase of 6 percent over the previous fiscal year. Investment income for the year was \$4.5 million, up 20 percent over the previous year. The average portfolio yield for fiscal 1976 was 6.68 percent compared to the 5.82 percent achieved the year before. This is the largest percentage increase (15 percent) in yield of any major fund managed by the Board.

The reasons for the improved yield and income are largely due to the new investment laws mentioned above. By swapping low yielding government securities into high yielding corporates, substantial gains in income have been achieved.

ANALYSIS OF INVESTMENTS

TYPE:	Fiscal COST	74/75 %	Fiscal COST	75/76 %	% CHANGE
Repurchase Agreements	\$ —0—	—0—	\$ 954,000	1.3	100.0
U.S. Treasury Obligations	6,919,706	10.3	2,291,889	3.2	(66.9)
Government Agency Obligations	8,831,344	13.2	8,461,240	11.9	(4.2)
U.S. Govt. Guaranteed Obligations	16,511,613	24.6	17,041,141	23.9	3.2
Canadian Obligations	1,732,088	2.6	2,705,596	3.8	56.2
Corporate Obligations	33,013,011	49.3	39,848,962	55.9	20.7
TOTAL INVESTMENTS	\$ 67,007,762	100.0	\$ 71,302,828	100.0	6.4

WORKERS' COMPENSATION FUND

The Workers' Compensation fund is the fifth largest portfolio managed by the Board of Investments. The investment balance of this fund is derived from the monies of the state-administered industrial accident insurance program.

During fiscal 1976, the total invested balance, stated at book value, grew 28 percent to \$41.6 million. This growth was the largest for any major portfolio managed by the Board and can be attributed to the expanded coverage of workers throughout the state.

Income for the year totaled \$2.65 million and increased 26 percent from the year earlier figure. The portfolio's average yield for the year was 7.43 percent compared to 7.44 percent in fiscal 1975. The slight decline in the average portfolio yield can be attributed to the substantial decline in short-term interest rates experienced during the year. Almost all new money was invested in short-term securities until appropriate long-term commitments could be made, and short-term interest rates declined substantially in fiscal 1976.

ANALYSIS OF INVESTMENTS

TYPE:	Fiscal COST	74/75 %	Fiscal COST	75/76 %	% CHANGE
Montana Certificates of Deposit	\$ 200,000	0.6	\$ —0—	—0—	(100.0)
Montana Obligations	97,000	0.3	55,000	0.1	(43.3)
Repurchase Agreements	—0—	—0—	500,000	1.2	100.0
U.S. Treasury Obligations	2,109,178	6.5	2,592,259	6.2	22.9
Government Agency Obligations	890,140	2.7	400,000	1.0	(55.1)
U.S. Govt. Guaranteed Obligations	—0—	—0—	500,000	1.2	100.0
Canadian Obligations	3,334,005	10.3	4,487,964	10.8	34.6
Corporate Obligations	25,048,011	77.4	32,461,851	78.1	29.6
Montana Mortgages	697,148	2.2	563,785	1.4	(19.1)
TOTAL INVESTMENTS	<u>\$ 32,375,482</u>	<u>100.0</u>	<u>\$ 41,560,859</u>	<u>100.0</u>	<u>28.4</u>

FINANCIAL STATEMENTS

**STATEMENT OF CONDITION
EXCLUDING THE
SHORT-TERM INVESTMENT POOL**

	YEAR ENDED JUNE 30	
	<u>1976</u>	<u>1975</u>
ASSETS MANAGED:		
Investments in Securities at Book Value	\$ 463,120,236	\$ 404,456,577
Net Deferred Losses on Bond Swaps	7,530,265	7,403,982
Dividends and Interest Receivable	7,020,869	5,902,018
Interest Purchased Receivable	<u>161,055</u>	<u>110,704</u>
NET ASSETS MANAGED FOR AGENCIES	<u>\$ 477,832,425</u>	<u>\$ 417,873,281</u>

**STATEMENT OF OPERATIONS
EXCLUDING THE
SHORT TERM INVESTMENT POOL
FOR THE YEAR ENDED JUNE 30, 1976**

Investment Income:	
Rent	\$ 31,931
Dividends	663,293
Interest	30,505,215
Realized Gain (Loss) from Sales of Investments	<u>659,943</u>
	\$ 31,860,382
Less:	
Administrative Expenses	\$ 77,012
Trust & Legacy Fund Portfolio Cost Adjustment	90,865
Net Deferred Losses Realized	<u>1,013,758</u>
NET INVESTMENT INCOME	<u>\$ 30,678,747</u>

**STATEMENT OF CHANGES IN CONDITION
FOR YEAR ENDED JUNE 30, 1976**

Net Assets Managed, July 1, 1975		\$ 417,873,281
Net Investment Income	\$ 30,678,747	
Income Received by Agencies	<u>(29,559,896)</u>	
Increase in Income Receivable		1,118,851
Interest Purchased During the Year	\$ 357,107	
Interest Purchased Collected	<u>(306,756)</u>	
Increase in Interest Purchased		50,351
Net Losses Deferred During the Year	\$ 1,140,041	
Net Deferred Losses Realized	<u>(1,013,758)</u>	
Increase in Net Deferred Losses on Bond Swaps		126,283
Increase in Book Value by Accrual of Premiums and Discounts		705,899
Securities Transferred		881,313
Security Purchases	\$5,538,721,188	
Security Sales and Maturities	<u>(5,481,644,741)</u>	
Increase by Securities Purchased		<u>57,076,447</u>
NET ASSETS MANAGED, June 30, 1976		<u>\$ 477,832,425</u>

**SHORT-TERM INVESTMENT POOL
STATEMENT OF CONDITION**

	YEARS ENDED JUNE 30		
	<u>1976</u>	<u>1975</u>	<u>1974</u>
Cash	\$ 23,929	\$ 16,260	\$ 215,935
Interest Receivable	2,067,128	1,396,255	1,768,897
Investments at Market	165,076,233	133,767,805	85,080,467
TOTAL ASSETS	\$ 167,167,290	\$ 135,180,320	\$ 87,065,299
Accrued Expenses	(19,808)	(14,146)	(47,964)
VALUE OF UNITS	\$ 167,147,482	\$ 135,166,174	\$ 87,017,335
Income Due Participants	(1,061,319)	(1,001,041)	(601,301)
NET ASSET VALUE	\$ 166,086,163	\$ 134,165,133	\$ 86,416,034
 UNITS OUTSTANDING	 163,360	 132,748	 85,763
UNIT VALUE	\$1,023.18	\$1,018.22	\$1,014.63

**SHORT-TERM INVESTMENT POOL
STATEMENT OF CHANGES IN NET ASSET VALUE**

	YEARS ENDED JUNE 30		
	<u>1976</u>	<u>1975</u>	<u>1974</u>
BEGINNING NET ASSET VALUE	\$ 134,165,133	\$ 86,416,034	\$ —0—
Units Purchased by Participants	86,947,935	65,966,591	96,100,949
Increase in Unrealized Appreciation	883,578	299,429	88,222
Units Sold by Participants	(55,910,483)	(18,516,921)	(9,773,137)
ENDING NET ASSET VALUE	\$ 166,086,163	\$ 134,165,133	\$ 86,416,034

**SHORT-TERM INVESTMENT POOL
STATEMENT OF INCOME AND DISBURSEMENTS**

	YEARS ENDED JUNE 30		
	<u>1976</u>	<u>1975</u>	<u>1974</u>
Income:			
Interest Income	\$ 10,942,706	\$ 10,234,576	\$ 4,999,709
Realized Profit (Loss) on Sale of Investments	<u>(111,665)</u>	<u>59,375</u>	<u>53,733</u>
	\$ 10,831,041	\$ 10,293,951	\$ 5,053,442
Administrative Expenses	<u>191,006</u>	<u>141,433</u>	<u>111,836</u>
NET INCOME	\$ 10,640,035	\$ 10,152,518	\$ 4,941,606
Add:			
Earnings Purchased by Participants	1,617,749	975,865	1,018,001
Undistributed Income, Beginning of Year	<u>1,001,041</u>	<u>601,301</u>	<u>—0—</u>
INCOME AVAILABLE FOR DISTRIBUTION	\$ 13,258,825	\$ 11,729,684	\$ 5,959,607
Distributions:			
Income Earned on Units Sold	\$ 959,679	\$ 534,445	\$ 147,093
November Distribution	5,264,486	5,197,606	1,532,369
May Distribution	<u>5,973,341</u>	<u>4,996,592</u>	<u>3,678,844</u>
TOTAL DISTRIBUTIONS	\$ 12,197,506	\$ 10,728,643	\$ 5,358,306
INCOME DUE PARTICIPANTS, END OF YEAR	<u>\$ 1,061,319</u>	<u>\$ 1,001,041</u>	<u>\$ 601,301</u>

SCHEDULE A SOURCE OF INVESTMENTS

Other Retirement Funds:	74-75	75-76
Highway Patrol Retirement Fund	\$ 2,961,776	\$ 3,501,415
Statewide Police Reserve Fund	—0—	3,389,009
Sheriffs' Retirement Fund	1,024,170	2,175,674
Game Wardens' Retirement Fund	1,556,575	1,741,599
Montana Judges' Retirement Fund	1,244,847	1,437,113
TOTAL	\$ 6,787,368	\$ 12,244,810

Various University Funds:	74-75	75-76
Experiment Station Fund	\$ 550,600	\$ 622,110
E.M.C. Trust Fund	—0—	366,649
M.C.M.S.T. Unexpended Plant Fund	—0—	319,541
M.S.U. Nacubo Fund	—0—	311,648
E.M.C. Current Designated Fund	—0—	253,283
AES Restricted Fund	—0—	189,053
M.S.U. Current Restricted Fund	—0—	185,328
M.S.U. Endowment Fund	—0—	153,843
M.S.U. Auxiliary Enterprises Fund	—0—	141,555
M.C.M.S.T. Current Restricted Fund	—0—	117,473
U.M. Field House Fund	114,477	114,708
E.M.C. Nacubo Agency Fund	—0—	109,215
U.M. Fund to Retire Debt	—0—	100,293
M.C.M.S.T. Endowment Fund	—0—	93,387
M.C.M.S.T. Loan Fund	—0—	92,299
N.M.C. Nacubo Agency Fund	—0—	68,406
M.C.M.S.T. Agency Fund	—0—	30,680
M.S.U. Unexpended Plant Fund	—0—	29,416
N.M.C. Current Designated Student Fund	—0—	29,118
No. Mt. Branch Station Fund	21,257	28,375
E.M.C. Auxiliary Enterprises Fund	—0—	27,258
M.S.U. Phys. Ed. Fund	141,901	24,350
N.M.C. Series B Fund	23,852	23,906
U.M. Swimming Pool Fund	18,918	20,299
M.C.M.S.T. Auxiliary Enterprises Fund	—0—	18,310
Experiment Station-Fertilizer Fund	29,356	18,268
M.C.M.S.T. Current Designated Fund	—0—	14,193
N.M.C. Endowment Fund	—0—	5,025
M.S.U. Current Designated Fund	—0—	5,000
Experiment Station-Agriculture Fund	4,044	3,033
N.M.C. Fund to Retire Debt	—0—	2,034
N.M.C. Current Restricted Fund	—0—	1,005

M.S.U. Student Housing Fund	271,011	—0—
U.M. Building Fund	102,317	—0—
N.M.C. Housing & Dining Fund	102,017	—0—
TOTAL	\$ 1,379,750	\$ 3,519,061

Livestock Funds:	74-75	75-76
Livestock Commission Fund	\$ 319,458	\$ 320,278
Livestock Board-Emergency Fund	132,410	83,061
TOTAL	\$ 451,868	\$ 403,339

Other Funds:	74-75	75-76
Highway Complex Headquarters Fund	\$ —0—	\$ 7,317,684
Resource Indemnity Fund	3,279,661	5,542,021
Local Impact Fund	—0—	3,702,875
Trust Contractors' License Refund	2,798,281	3,611,394
Educational Trust Fund	—0—	2,174,008
Subsequent Injury Fund	558,799	931,412
Land & Resource Development Fund	581,176	679,294
Renewable Resources Dev. Fund	—0—	557,697
Coal Tax Park Fund	—0—	278,150
Montana Rural Rehab. Fund	—0—	172,793
Donable Property Fund	72,279	83,370
Wheat Research Fund	75,732	79,798
Occupational Disease Fund	83,834	64,213
Capitol Building Fund	97,766	48,868
Oil & Gas Fund	47,957	47,957
Board of Certification Fund	14,086	14,097
Water Well Fund	8,000	8,000
Cosmetology Board Fund	4,894	4,932
Sanitarrians Registration Fund	2,015	2,015
T.R.S. Minnie Fullam Fund	1,013	1,013
TOTAL	\$ 7,625,493	\$ 25,321,591

Other STIP*:	74-75	75-76
Fergus County Treasurer	\$ —0—	\$ 4,450,837
Rosebud County Treasurer	—0—	3,568,653
City of Helena Parking Bond Proceeds	—0—	3,040,706

(continued next page)

SCHEDULE A (continued)

City of Helena	1,426,707	1,212,925
Culbertson Hospital Fund	—0—	886,653
City of Missoula	302,334	791,565
Stillwater County Treasurer	—0—	600,231
Lincoln County Treasurer	—0—	592,784
Great Falls Fire Dept. Relief Assoc.	365,724	550,450
Missoula Fire Dept. Relief Assoc.	305,589	508,373
Billings Fire Dept. Relief Assoc.	214,415	469,555
Daniels County Treasurer	—0—	424,475
Missoula County Treasurer	486,647	296,504
City of Glendive	—0—	294,694
Town of Chester	606,091	263,354
Helena Fire Dept. Relief Assoc.	97,323	259,544
Bozeman Fire Dept. Relief Assoc.	—0—	255,202
Kalispell Fire Dept. Relief Assoc.	181,621	253,394
Yellowstone County Treasurer	—0—	219,509
Sanders County Treasurer	59,978	213,493
City of Great Falls	209,823	209,849
Butte Fire Dept. Relief Assoc.	54,653	181,096
City of Scobey	71,911	171,533
Miles City Fire Dept. Relief Assoc.	—0—	120,886
City of Butte	—0—	109,426
Glendive Fire Dept. Relief Assoc.	16,122	92,528
Lake County Treasurer	85,906	85,906
Liberty County Treasurer	19,209	66,311
City of Kalispell	—0—	65,421
Hill County Treasurer	—0—	62,136
Havre Fire Dept. Relief Assoc.	35,703	58,986
Powell County Treasurer	—0—	57,394
Roosevelt County Treasurer	—0—	56,216
Dawson County Treasurer	—0—	56,132
Lewistown Fire Dept. Relief Assoc.	—0—	54,867
Park County Treasurer	—0—	53,883
Sheridan County Treasurer	—0—	52,056
Anaconda Fire Dept. Relief Assoc.	44,884	44,884
Livingston Fire Dept. Relief Assoc.	30,476	40,671
Beaverhead County Treasurer	—0—	39,844
Granite County Treasurer	—0—	36,206
Meagher County Treasurer	29,410	29,410
Broadwater County Treasurer	29,079	29,079
Valley County Treasurer	—0—	20,186
Lewis & Clark County Treasurer	—0—	19,194
Madison County Treasurer	—0—	10,092
Ravalli County Treasurer	—0—	9,136
Teton County Treasurer	—0—	7,140

City of Choteau	—0—	5,103
Choteau Schools Student Activity Fund	—0—	5,078
Montana State University	4,349,844	—0—
University of Montana	1,547,261	—0—
Eastern Montana College	1,087,962	—0—
College of Mineral Science & Technology	305,063	—0—
City of Lewistown	188,276	—0—
Northern Montana College	146,838	—0—
Lewistown Police Officers Ret. Fund	111,929	—0—
Helena Police Officers Ret. Fund	72,306	—0—
Mineral County Treasurer	30,368	—0—
TOTAL	\$ 12,513,452	\$ 21,003,550

*County and city funds outside the control of the State of Montana.

SCHEDULE B TYPE OF INVESTMENTS

OTHER	1974-1975	1975-1976
Statewide Police Reserve Fund:		
City of Havre City Hall Bonds	\$ —0—	\$ 50,000
PERS:		
ESC Building Revenue Bond	1,254,655	1,178,756
Building and Land	153,011	156,249
TRS:		
Building and Land	174,050	170,087
Workers' Compensation:		
U.C.C. Bonds	97,000	55,000
TOTAL	\$ 1,678,716	\$ 1,610,092

SCHEDULE C
INVESTMENT INCOME 1975-76 FISCAL YEAR

	CASH	CURRENT AMORTI- ZATION	STIP INCOME	NET DEFERRED LOSSES	MODIFIED INCOME	ACCRUED INCOME	75-76 INCOME
Treasurer's Fund	\$ 3,361,251	\$ (2,554)	\$ 7,243,629	\$	\$ 10,602,326	\$ (144,289)	\$ 10,458,037
Public Employees' Retirement System Fund	9,073,762	100,177		(22,245)	9,151,694	489,828	9,641,522
Teachers' Retirement System Fund	7,588,813	143,595		(19,422)	7,712,986	363,393	8,076,379
Trust & Legacy Fund	4,980,908	401,840		(914,580)	4,468,168	75,222	4,543,390
Workers' Compensation Fund	2,651,358	50,625		(53,502)	2,648,481	225,462	2,873,943
Long Range Building Fund	67,754	2,712	758,437		828,903	(3,969)	824,934
Common School Interest & Income Fund	199,160		386,834		585,994	(4,925)	581,069
Social Security Fund	457,389	1,216			458,605	(13,203)	445,402
Resource Indemnity Fund	264,787	639	18,012		283,438	38,344	321,782
Long Range Building Sinking Fund	262,793				262,793	(3,558)	259,235
Highway Patrol Retirement Fund	222,611	3,744	11,220	(3,298)	234,277	16,586	250,863
Statewide Police Reserve Fund	23,522		176,924		200,446	12,184	212,630
Trust Contractors' License Refund	176,186				176,186	(3,276)	172,910
M.S.U. Current Unrestricted Fund			162,882		162,882		162,882
Federal Revenue Sharing Fund			146,117		146,117	(15,091)	131,026
Game Wardens' Retirement Fund	107,957	373	4,929	(599)	112,660	6,761	119,421
U.M. F PGA Fund			104,911		104,911		104,911
Hail Insurance Fund	62,248	(21)	42,264		104,491	(916)	103,575
Montana Judges' Retirement Fund	89,621	270	7,388		97,279	4,430	101,709
Sheriffs' Retirement Fund	81,374	232	12,503		94,109	16,365	110,474
Volunteer Fireman's Fund	89,088	382	932	(81)	90,321	8,175	98,496
Experiment Station Fund			55,130		55,130	(181)	54,949
M.S.U. Nacubo Fund	1,731		51,562		53,293	1,785	55,078
Subsequent Injury Fund	48,987	285	3,203		52,475	6,130	58,605
Lands & Resource Development Fund			43,959		43,959	19	43,978
Local Impact Fund			42,117		42,117	18,105	60,222
E.M.C. Current Designated Fund			40,216		40,216	1,635	41,851
Educational Trust Fund			24,612		24,612	12,078	36,690
AES Restricted Fund			24,161		24,161	967	25,128
Livestock Commission Fund	7,735	821	12,403		20,959	(180)	20,779
Highway Complex Headquarters Fund			19,054		19,054	46,114	65,168
E.M.C. Nacubo Agency Fund			16,917		16,917	674	17,591
M.C.M.S.T. Unexpended Plant Fund			15,863		15,863	2,051	17,914
E.M.C. Auxiliary Enterprises Fund			12,141		12,141	175	12,316
M.S.U. Married Student Housing Fund	11,650				11,650	(1,033)	10,617
Capitol Building Fund	8,231	1,102			9,333	(292)	9,041
E.M.C. Trust Fund	9,107	155			9,262	3,687	12,949
M.S.U. Auxiliary Enterprises Fund			8,885		8,885	727	9,612
M.S.U. Endowment Fund			8,488		8,488	974	9,462
M.S.U. Current Restricted Fund	5,769		2,203		7,972	570	8,542
U.M. Fund to Retire Debt			7,643		7,643	(119)	7,524
U.M. Field House Fund	7,487	141			7,628	(718)	6,910

SCHEDULE C (continued)

	CASH	CURRENT AMORTI- ZATION	STIP INCOME	NET DEFERRED LOSSES	MODIFIED INCOME	ACCRUED INCOME	75-76 INCOME-
Renewable Resources Dev. Fund	\$	\$	\$ 7,579	\$	\$ 7,579	\$ 3,356	\$ 10,935
M.S.M.S.T. Loan Fund			6,737		6,737	591	7,328
M.C.M.S.T. Endowment Fund			6,235		6,235	597	6,832
Donable Property			5,818		5,818	(3)	5,815
Montana Rural Rehab. Fund			5,801		5,801	1,103	6,904
N.M.C. Auxiliary Enterprises Fund			5,512		5,512		5,512
Wheat Research Fund			5,508		5,508	(57)	5,451
Coop Ext. Service Restricted Fund			4,893		4,893		4,893
E.M.C. FPGCA Fund			4,766		4,766		4,766
Dixon Endowment Fund	3,840				3,840		3,840
Oil & Gas Fund			3,481		3,481	(50)	3,431
Coal Tax Park Fund			3,328		3,328	1,676	5,004
N.M.C. Housing & Dining Fund	2,964				2,964	(2,027)	937
M.S.U. Current Designated Fund	192		2,673		2,865	11	2,876
M.S.U. Phys. Ed. Fund	2,714				2,714	(736)	1,978
E.M.C. Current Restricted Fund			2,556		2,556		2,556
N.M.C. Nacubo Agency Fund			2,449		2,449	441	2,890
N.M.C. Armory-Gym Fund	2,419				2,419		2,419
Occupational Disease Fund	1,754	18	675	(31)	2,416	(1,311)	1,105
Experiment Station-Fertilizer Fund			2,210		2,210	(102)	2,108
M.C.M.S.T. Auxiliary Enterprises Fund			1,890		1,890	117	2,007
No. Mt. Branch Station Fund			1,788		1,788	26	1,814
M.C.M.S.T. Current Restricted Fund			1,754		1,754	746	2,500
N.M.C. Unexpended Plant Fund			1,612		1,612		1,612
U.M. Swimming Pool Fund	1,277	44			1,321	(212)	1,109
N.M.C. Series B Reserve Fund	1,262	54			1,316	2	1,318
M.C.M.S.T. Current Designated Fund			1,171		1,171	91	1,262
Board of Certification Fund			1,126		1,126	(15)	1,111
T.R.S. Minnie Fullam Fund	1,039	11	73		1,123	(1)	1,122
N.M.C. Current Designated Fund			1,045		1,045	188	1,233
M.S.U. Unexpended Plant Fund			1,002		1,002	188	1,190
M.C.M.S.T. Agency Fund			716		716	195	911
E.M.C. Loan Fund			656		656		656
Water Well Fund	618				618		618
Cosmetology Board Fund	255	38			293		293
Experiment Station-Agriculture Fund			271		271	(11)	260
N.M.C. Endowment Fund			180		180	32	212
Sanitarrians Registration Fund			145		145	(2)	143
N.M.C. Fund to Retire Debt			72		72	13	85
N.M.C. Current Restricted Fund			36		36	6	42
Livestock Board-Emergency Fund	(11,858)		4,298		(7,560)	(890)	(8,450)
Other STIP			1,140,078		1,140,078	41,548	1,181,626
TOTAL	<u>\$ 29,867,755</u>	<u>\$ 705,899</u>	<u>\$ 10,693,673</u>	<u>\$ (1,013,758)</u>	<u>\$ 40,253,569</u>	<u>\$ 1,206,201</u>	<u>\$ 41,459,770</u>

SCHEDULE D
SUMMARY OF BOND SWAPS
Deferral Method

DESCRIPTION	PAR SOLD	PAR ACQUIRED	REALIZED GAIN(or)LOSS	DEFERRED GAIN(or)LOSS
Trust and Legacy Fund	\$ 6,139,000	\$ 6,139,000	\$ (923,581)	\$ (32,362)
Public Employees' Retirement System Fund	2,600,000	2,600,000	(37,322)	(2,742)
Teachers' Retirement System Fund	973,000	973,000	(116,159)	(1,511)
Workers' Compensation Fund	650,000	650,000	(55,399)	(153)
Volunteer Fireman's Fund	65,000	65,000	(4,927)	(81)
Occupational Disease Fund	25,000	25,000	(1,895)	(31)
Game Wardens' Retirement Fund	10,000	10,000	(758)	(13)
TOTAL	<u>\$ 10,462,000</u>	<u>\$ 10,462,000</u>	<u>\$ (1,140,041) (1)</u>	<u>\$ (36,893) (2)</u>

- (1) If the completed transaction method were used for gains and losses on bond swaps.
(2) Based on the deferral method of accounting for gains and losses on bond swaps.

SCHEDULE E
UNAMORTIZED DEFERRED
GAINS(or)LOSSES ON BOND SWAPS
As of June 30, 1976

DESCRIPTION	BALANCE
Trust & Legacy Fund	\$ (6,463,427)
Workers' Compensation Fund	(568,088)
Public Employees' Retirement System Fund	(226,071)
Teachers' Retirement System Fund	(199,664)
Highway Patrol Retirement Fund	(60,360)
Game Wardens' Retirement Fund	(5,946)
Volunteer Fireman's Fund	(4,845)
Occupational Disease Fund	(1,864)
TOTAL	<u>\$ (7,530,265)</u>

FINANCIAL NOTES

BASIS OF ACCOUNTING

The financial statements have been prepared on the accrual basis of accounting. Prior years' statements were prepared on the cash basis of accounting modified for the amortization of premiums and discounts, the deferral of gains or losses on bond swaps, and the amortization of a portfolio cost adjustment. The difference of \$1,206,201 between the accrual basis and the modified cash basis is shown on Schedule C.

COST OF INVESTMENTS (BOOK VALUE)

U.S. Government obligations, corporate bonds and Canadian obligations are shown at original cost adjusted for amortization of premium or accumulation of discount. Mortgages are shown at par value. Building and land are shown at cost as on the agencies' books. All other securities are shown at original cost, except for bequeathed common and preferred stock which are shown as having a zero cost at date of bequest.

MARKET VALUATION OF INVESTMENTS

The market valuation of investments as shown in the financial statements is computed as follows: mortgages, repurchase agreements, certificates of deposit, building and land are recorded at par value; bankers' acceptances, commercial paper and Treasury Bills are shown at cost; U.S. Government obligations, corporate and Canadian bonds are priced on June 30, 1976, using a dealer's quotes; common and preferred stocks are recorded at closing prices on exchanges where traded as of June 30, 1976.

METHOD OF AMORTIZATION

Bond premiums and discounts are amortized on the straight line method. Discounts from principal amounts upon acquisition of mortgages are amortized over an average eight (8) year mortgage life.

STATEMENT OF INVESTMENT INCOME

The Statement of Investment Income shows a deferred loss of \$1,013,758. This is composed of \$976,865 prior year's deferred losses and current year deferred losses of \$36,893 as shown in Schedule D. The investment income is net of \$256,705 administrative expenses and the Trust and Legacy Fund is adjusted downward by \$90,865 which is the amortization of a portfolio cost adjustment. The negative cash balance for the Livestock Board-Emergency Fund is due to realized losses on the sale of investments. The accrual income was computed by subtracting the income receivable on June 30, 1975 from the income receivable on June 30, 1976.

The 75-76 income total differs from the Statement of Operations Net Investment Income by the STIP accrued income of \$87,350 and the STIP income of \$10,693,673.

BOND SWAPS

The deferral method of accounting for bond swaps is used. Under this method gains and losses resulting from bond swaps are deferred over the remaining life of the bonds sold or purchased, whichever is shorter. The effect of the swaps on the completed transaction method is footnoted in Schedule D.

MORTGAGES, BUILDING AND LAND

The balances reported are provided by each agency administering them. The Board of Investments does not control the detail to these investments and, therefore, relies upon the respective agencies for the balances. Rent is accrued as income from these holdings.

INVESTMENT OF NON-CONTROLLED FUNDS

The balance of the Employment Security Division Trust Fund Account is \$1,590,500, which is not controlled due to federal restrictions.

TOTAL INVESTMENTS

The Total STIP investments as shown in the graph Total Investments differs from the STIP investments as shown in the graph Source of Investments by the amount of \$1,202,883. The first graph shows the Board's actual original cost of the STIP portfolio while the latter graph shows the participant's cost of the STIP units. STIP units are sold to the participants at the current market value of the STIP portfolio plus any accrued earnings as of the date the participants joined the investment pool.

YIELD ON INVESTMENTS

All portfolio yields are calculated using the modified income basis for comparable purposes. Most portfolio yield figures are calculated as follows: two times modified income divided by the beginning and ending asset balances less modified income. The yield for the Treasurer's Fund is calculated by determining the daily average invested balance and dividing this into modified income. STIP yields represent the yield a participant would have received if funds were invested for the period 07/01/75 to 06/30/76. It is calculated by determining the daily average invested balance and dividing this into the accrued income for the period. Yields reported in the portfolio for individual holdings represent yield to maturity.

NOTES TO STIP FINANCIAL STATEMENTS

BASIS OF ACCOUNTING

The financial statements have been prepared on the accrual basis of accounting.

ADMINISTRATIVE EXPENSES

The daily accrual of expenses charged against income due participants equals one-eighth of one percent times the market value of the pool divided by three hundred and sixty-five. On the two distribution dates, the accumulated daily total of expenses is deducted from the amount available for distribution and is paid to the Board of Investments for operating expenses.

DISTRIBUTION DATES

Distributions to participants are made on the last working day of the months of May and November.

MARKET VALUE OF SECURITIES

The market value of the securities shown in the statements is computed as follows: repurchase agreements and certificates of deposit are recorded at par value; bankers' acceptances, commercial paper, Treasury Bills, U.S. Government obligations, corporate and Canadian bonds are priced using one dealer's June 30, 1976 quotes.

INVESTMENTS AT COST

The cost of investments as of June 30, 1974, 1975, and 1976 were \$84,992,245, \$133,380,154, and \$163,805,005 respectively.

INCREASE IN UNREALIZED APPRECIATION

The increase is calculated as follows: investments at market less the cost of investments less the appreciation of the prior period.

UNITS PURCHASED & SOLD BY PARTICIPANTS

The amounts shown for units purchased by participants and units sold by participants are net of income purchased and income sold respectively.

PRIOR PERIOD ADJUSTMENTS

Various bookkeeping errors have occurred since STIP began operation in fiscal 73-74. In our fiscal 1974-75 report we stated that \$340,444 existed as undistributed earnings as a result of these errors. Further analysis during the year disclosed that this amount should have been \$201,728. On May 28, 1976, \$184,922 of retained earnings were distributed with the remaining \$16,806 to be distributed in November of 1976. Analysis revealed other bookkeeping errors in the STIP accounts. None of the errors revealed are material to STIP operations as a whole, nor are they material to any unitholder. The financial statements for 1975 and 1974 have been restated to reflect the aforementioned errors.

The financial statement format for 1975 and 1974 has been changed to reflect the format adopted for 1976.

PORTFOLIOS

SHORT TERM INVESTMENT POOL

CERTIFICATES OF DEPOSIT	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
First Security Bank—Anaconda	\$ 100	7.000	07-15-76	\$ 100,000	\$ 100,000	7.000
First Security Bank—Anaconda	300	8.000	10-15-76	300,000	300,000	8.000
First Security Bank—Anaconda	200	7.000	11-17-76	200,000	200,000	7.000
Cheyenne Western Bank—Ashland	275	7.250	12-14-76	275,000	275,000	7.250
Montana Bank—Belgrade	200	7.250	12-16-76	200,000	200,000	7.250
Montana Bank—Belgrade	200	6.750	06-03-77	200,000	200,000	6.750
Midland National Bank—Billings	500	8.000	09-24-76	500,000	500,000	8.000
Midland National Bank—Billings	1,000	7.050	11-12-76	1,000,000	1,000,000	7.050
Midland National Bank—Billings	1,000	6.750	06-13-77	1,000,000	1,000,000	6.750
Midland National Bank—Billings	200	6.890	04-14-78	200,000	200,000	6.890
Midland National Bank—Billings	100	6.760	04-14-78	100,000	100,000	6.760
Midland National Bank—Billings	200	7.160	04-13-79	200,000	200,000	7.160
Midland National Bank—Billings	200	7.340	04-15-80	200,000	200,000	7.340
Midland National Bank—Billings	100	7.270	04-15-80	100,000	100,000	7.270
Midland National Bank—Billings	200	7.190	04-15-80	200,000	200,000	7.190
Midland National Bank—Billings	200	7.630	04-15-81	200,000	200,000	7.630
Midland National Bank—Billings	100	7.510	04-15-81	100,000	100,000	7.510
Midland National Bank—Billings	200	7.390	04-15-81	200,000	200,000	7.390
Valley State Bank—Billings	200	8.000	09-24-76	200,000	200,000	8.000
Valley State Bank—Billings	100	7.125	11-12-76	100,000	100,000	7.125
Valley State Bank—Billings	100	7.250	11-12-76	100,000	100,000	7.250
Western Bank—Billings	100	7.500	07-13-76	100,000	100,000	7.500
Western Bank—Billings	200	7.250	11-16-76	200,000	200,000	7.250
Western State Bank—Billings	300	7.250	11-11-76	300,000	300,000	7.250
First National Bank—Bozeman	1,000	6.500	05-24-77	1,000,000	1,000,000	6.500
First National Bank—Bozeman	500	7.275	04-14-80	500,000	500,000	7.275
First National Bank—Bozeman	500	7.375	04-14-81	500,000	500,000	7.375
Montana National Bank—Browning	100	5.625	07-01-76	100,000	100,000	5.625
Montana National Bank—Browning	350	5.625	07-28-76	350,000	350,000	5.625
First Metals Bank—Butte	1,000	7.100	11-30-76	1,000,000	1,000,000	7.100
First Metals Bank—Butte	1,000	6.750	06-17-77	1,000,000	1,000,000	6.750
First National Bank—Butte	500	7.000	11-17-76	500,000	500,000	7.000
Montana National Bank—Butte	150	7.750	09-03-76	150,000	150,000	7.750
Prudential Federal Savings & Loan—Butte	100	7.000	06-03-77	100,000	100,000	7.000
Bank of Columbia Falls—Columbia Falls	200	7.500	04-15-80	200,000	200,000	7.500
Bank of Columbia Falls—Columbia Falls	200	7.750	04-15-81	200,000	200,000	7.750
Deer Lodge Bank & Trust—Deer Lodge	100	6.625	01-25-77	100,000	100,000	6.625
Deer Lodge Bank & Trust—Deer Lodge	100	6.625	01-28-77	100,000	100,000	6.625
Deer Lodge Bank & Trust—Deer Lodge	100	6.625	02-11-77	100,000	100,000	6.625
Deer Lodge Bank & Trust—Deer Lodge	200	6.625	02-25-77	200,000	200,000	6.625
Deer Lodge Bank & Trust—Deer Lodge	100	6.625	03-18-77	100,000	100,000	6.625
Deer Lodge Bank & Trust—Deer Lodge	200	6.750	06-22-77	200,000	200,000	6.750

SHORT TERM INVESTMENT POOL

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
CERTIFICATES OF DEPOSIT						
First Security Bank-Deer Lodge	\$ 100	7.750	09-10-76	\$ 100,000	\$ 100,000	7.750
First Security Bank—Deer Lodge	100	7.750	09-14-76	100,000	100,000	7.750
First Security Bank—Deer Lodge	100	6.500	05-24-77	100,000	100,000	6.500
First Security Bank—Deer Lodge	100	6.500	05-24-77	100,000	100,000	6.500
Pioneer Savings & Loan—Deer Lodge	100	7.000	04-07-78	100,000	100,000	7.000
First National Bank—Ekalaka	100	6.250	04-27-77	100,000	100,000	6.250
First National Bank—Glasgow	150	6.000	11-15-76	150,000	150,000	6.000
First National Bank—Glasgow	350	6.250	04-21-77	350,000	350,000	6.250
First National Bank—Glasgow	300	6.750	06-15-77	300,000	300,000	6.750
First National Bank—Glasgow	200	6.750	06-17-77	200,000	200,000	6.750
First Federal Savings & Loan—Great Falls	100	7.500	04-08-81	100,000	100,000	7.500
First National Bank—Great Falls	1,000	6.200	04-08-77	1,000,000	1,000,000	6.200
First Westside National Bank—Great Falls	750	7.250	07-14-76	750,000	750,000	7.250
First Westside National Bank—Great Falls	200	6.250	04-19-77	200,000	200,000	6.250
First Westside National Bank—Great Falls	250	6.500	05-24-77	250,000	250,000	6.500
First Westside National Bank—Great Falls	500	6.750	06-09-77	500,000	500,000	6.750
First Westside National Bank—Great Falls	300	6.750	06-17-77	300,000	300,000	6.750
Montana Bank—Great Falls	1,000	6.500	05-24-77	1,000,000	1,000,000	6.500
Montana Bank—Great Falls	500	7.125	04-20-79	500,000	500,000	7.125
Montana Bank—Great Falls	500	7.500	04-21-80	500,000	500,000	7.500
Montana Bank—Great Falls	500	7.625	04-20-81	500,000	500,000	7.625
Northwestern Bank—Great Falls	425	7.000	07-02-76	425,000	425,000	7.000
Northwestern Bank—Great Falls	1,000	7.000	07-13-76	1,000,000	1,000,000	7.000
Northwestern Bank—Great Falls	500	7.250	07-16-76	500,000	500,000	7.250
Northwestern Bank—Great Falls	500	7.750	10-08-76	500,000	500,000	7.750
Village Bank—Great Falls	300	6.500	05-24-77	300,000	300,000	6.500
First National Bank—Havre	300	6.850	08-24-76	300,000	300,000	6.850
First National Bank—Havre	100	7.357	04-08-80	100,000	100,000	7.357
First National Bank—Havre	100	7.670	04-08-81	100,000	100,000	7.670
First National Bank—Helena	500	7.000	04-14-78	500,000	500,000	7.000
First National Bank—Helena	500	7.250	04-13-79	500,000	500,000	7.250
First Security Bank—Helena	100	6.500	01-13-77	100,000	100,000	6.500
Northwestern Bank—Helena	2,000	8.000	10-14-76	2,000,000	2,000,000	8.000
First National Bank—Hinsdale	100	7.750	09-10-76	100,000	100,000	7.750
First National Bank—Hinsdale	300	7.000	11-16-76	300,000	300,000	7.000
First National Bank—Hinsdale	100	6.625	02-02-77	100,000	100,000	6.625
Conrad National Bank—Kalispell	1,000	8.000	09-17-76	1,000,000	1,000,000	8.000
First Northwestern Bank—Kalispell	300	7.000	06-16-77	300,000	300,000	7.000
First Northwestern Bank—Kalispell	100	7.375	04-08-81	100,000	100,000	7.375
First Bank—Lincoln	100	5.750	08-03-76	100,000	100,000	5.750
First Bank—Lincoln	100	6.750	06-01-77	100,000	100,000	6.750
First Security Bank—Malta	100	7.750	08-24-76	100,000	100,000	7.750

SHORT TERM INVESTMENT POOL

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
CERTIFICATES OF DEPOSIT						
First Security Bank—Malta	\$ 150	6.625	02-17-77	\$ 150,000	\$ 150,000	6.625
First Security Bank—Malta	200	6.250	05-10-77	200,000	200,000	6.250
Southside National Bank—Missoula	500	7.000	11-12-76	500,000	500,000	7.000
Southside National Bank—Missoula	500	7.000	11-16-76	500,000	500,000	7.000
Western Montana National Bank—Missoula	500	7.000	07-13-76	500,000	500,000	7.000
Western Montana National Bank—Missoula	1,000	8.000	09-17-76	1,000,000	1,000,000	8.000
Western Montana National Bank—Missoula	500	8.000	09-24-76	500,000	500,000	8.000
Western Montana National Bank—Missoula	1,000	7.350	11-30-76	1,000,000	1,000,000	7.350
Western Montana National Bank—Missoula	1,000	6.750	06-14-77	1,000,000	1,000,000	6.750
Western Montana National Bank—Missoula	600	6.750	06-17-77	600,000	600,000	6.750
Western Montana National Bank—Missoula	500	7.100	04-13-78	500,000	500,000	7.100
Bank of Sheridan—Sheridan	100	5.500	08-02-76	100,000	100,000	5.500
Bank of Sheridan—Sheridan	100	7.750	08-19-76	100,000	100,000	7.750
Bank of Sheridan—Sheridan	200	6.500	08-23-76	200,000	200,000	6.500
Richland National Bank—Sidney	600	7.250	07-14-76	600,000	600,000	7.250
Sidney National Bank—Sidney	500	7.250	10-29-76	500,000	500,000	7.250
Montana Bank—Superior	100	6.250	12-27-76	100,000	100,000	6.250
First National Bank—Twin Bridges	100	8.000	10-14-76	100,000	100,000	8.000
First National Bank—Wibaux	300	7.250	12-16-76	300,000	300,000	7.250
TOTAL	<u>\$ 36,850</u>			<u>\$ 36,850,000</u>	<u>\$ 36,850,000</u>	
GOVERNMENT OBLIGATIONS						
REPURCHASE AGREEMENTS						
Bank of America—San Francisco	\$ 3,737	5.600	07-26-76	\$ 3,737,000	\$ 3,737,000	5.600
Seattle First National Bank—Seattle	3,100	5.250	07-01-76	3,100,000	3,100,000	5.250
TOTAL	<u>\$ 6,837</u>			<u>\$ 6,837,000</u>	<u>\$ 6,837,000</u>	
U.S. TREASURY						
U.S. Treasury Bills	\$ 1,000	0.000	07-27-76	\$ 930,787	\$ 996,208	6.960
U.S. Treasury Bills	5,000	0.000	03-08-77	4,697,678	4,793,403	5.980
U.S. Treasury Notes	2,000	8.250	08-31-77	1,999,240	2,036,250	8.271
U.S. Treasury Notes	2,000	7.875	05-15-78	1,994,400	2,030,000	7.982
U.S. Treasury Notes	2,000	7.125	05-31-78	1,995,000	2,005,000	7.260
U.S. Treasury Notes	2,000	8.500	09-30-79	1,996,120	2,070,000	8.553
U.S. Treasury Notes	1,000	8.125	08-15-82	999,740	1,021,875	8.131
U.S. Treasury Notes	1,000	8.125	08-15-82	1,001,320	1,021,875	8.100
U.S. Treasury Notes	1,000	8.125	08-15-82	998,160	1,021,875	8.159
U.S. Treasury Notes	3,000	8.000	02-15-83	3,000,000	3,045,000	8.000
U.S. Treasury Notes	5,000	7.875	05-15-86	5,000,000	5,012,500	7.875

SHORT TERM INVESTMENT POOL

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
U.S. TREASURY						
U.S. Treasury Bonds	\$ 500	8.250	05-15-90	\$ 495,580	\$ 514,375	8.352
U.S. Treasury Bonds	500	8.250	05-15-90	495,758	514,375	8.348
TOTAL	<u>\$ 26,000</u>			<u>\$ 25,603,783</u>	<u>\$ 26,082,736</u>	
FEDERAL AGENCIES						
Federal Home Loan Banks	\$ 3,000	9.150	11-25-77	\$ 3,000,000	\$ 3,086,250	9.150
Federal Home Loan Banks	500	7.600	05-25-78	500,000	502,813	7.600
Federal Home Loan Banks	3,000	9.100	11-27-78	3,000,000	3,116,250	9.100
Federal Home Loan Banks	1,000	8.750	05-25-79	1,000,000	1,031,250	8.750
Federal Home Loan Banks	1,000	8.750	05-25-84	1,000,000	1,042,500	8.750
F.N.M.A.	1,000	9.800	06-11-79	1,000,000	1,058,750	9.800
F.N.M.A.	1,000	9.700	09-10-81	1,000,000	1,076,250	9.700
F.N.M.A.	1,250	7.300	12-10-81	1,250,000	1,223,438	7.300
F.N.M.A.	1,000	7.350	12-10-82	1,000,000	970,000	7.350
F.N.M.A.	2,000	7.750	03-10-83	2,000,000	1,970,000	7.750
Federal Intermediate Credit Bank	1,000	7.400	01-02-80	998,750	995,000	7.434
Federal Land Banks	1,000	8.250	04-20-77	1,000,000	1,011,875	8.250
Federal Land Banks	1,000	8.250	04-20-77	1,010,000	1,011,875	7.690
Federal Land Banks	1,000	9.150	07-20-78	1,000,000	1,035,000	9.150
Federal Land Banks	1,000	9.100	07-20-81	1,000,000	1,055,000	9.100
TOTAL	<u>\$ 19,750</u>			<u>\$ 19,758,750</u>	<u>\$ 20,186,251</u>	
CANADIAN OBLIGATIONS						
British Columbia Hydro & Power	\$ 500	10.250	10-01-99	\$ 500,000	\$ 525,000	10.250
Hydro Quebec	1,000	10.000	11-15-05	1,000,000	1,032,500	10.000
Municipal Finance Authority of B.C.	1,000	8.875	05-01-01	952,500	955,000	9.370
Quebec Hydro Electric	1,000	7.500	01-01-03	915,000	820,000	8.280
Quebec Hydro Electric	1,000	8.250	01-01-04	995,000	887,500	8.300
Quebec Hydro Electric	500	10.250	01-15-05	500,000	528,750	10.250
TOTAL	<u>\$ 5,000</u>			<u>\$ 4,862,500</u>	<u>\$ 4,748,750</u>	
CORPORATE OBLIGATIONS						
BANKERS' ACCEPTANCES						
Bankers Trust Corp.—New York (Miami)	\$ 2,134	0.000	09-13-76	\$ 2,071,310	\$ 2,108,540	6.000
Chase Manhattan Bank—New York	3,500	0.000	07-27-76	3,485,028	3,486,096	5.500
Chemical Bank—New York	656	0.000	07-16-76	646,666	654,893	5.300
Chemical Bank—New York	5,000	0.000	07-19-76	4,978,906	4,986,250	5.625
Chemical Bank—New York	587	0.000	07-20-76	578,504	585,794	5.300
Chemical Bank—New York	640	0.000	07-21-76	629,667	637,599	5.300
Chemical Bank—New York	1,003	0.000	08-23-76	982,211	995,020	5.500
Chemical Bank—New York	1,534	0.000	09-20-76	1,501,242	1,513,965	5.550

SHORT TERM INVESTMENT POOL

CORPORATE OBLIGATIONS	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
BANKERS' ACCEPTANCES						
Chemical Bank—New York (SF)	\$ 1,145	0.000	09-24-76	\$ 1,113,357	\$ 1,129,490	5.800
Chemical Bank—New York	771	0.000	09-27-76	749,982	760,295	5.650
Chemical Bank—New York (SF)	483	0.000	10-15-76	470,120	474,704	5.800
Citibank—New York	2,000	0.000	07-01-76	1,993,467	2,000,000	5.600
Citibank—New York (Chicago)	1,000	0.000	07-30-76	992,717	995,569	5.700
Citibank—New York	1,922	0.000	09-15-76	1,869,296	1,899,264	5.650
Crocker National Bank—San Francisco	2,500	0.000	09-17-76	2,430,859	2,469,125	5.625
First National Bank—Oregon	2,000	0.000	07-06-76	1,976,153	1,998,542	5.050
First National Bank—Oregon	1,000	0.000	08-31-76	974,800	990,342	5.600
Irving Trust—New York	625	0.000	07-26-76	621,932	622,613	5.700
Northwest Banco	1,500	0.000	07-26-76	1,490,500	1,494,271	5.700
Rainier National Bank—Seattle	2,000	0.000	08-09-76	1,973,111	1,987,758	5.500
Rainier National Bank—Seattle	5,000	0.000	08-11-76	4,933,111	4,967,826	5.600
Rainier National Bank—Seattle	500	0.000	09-09-76	486,738	494,458	5.650
Seattle First National Bank—Seattle	5,000	0.000	07-19-76	4,962,625	4,986,250	5.850
Seattle First National Bank—Seattle	2,000	0.000	07-27-76	1,982,450	1,992,056	5.850
United California Bank—Los Angeles	3,383	0.000	11-08-76	3,284,312	3,311,962	5.990
TOTAL	\$ 47,883			\$ 47,179,064	\$ 47,542,684	
COMMERCIAL PAPER						
First Bank System	\$ 2,075	0.000	07-21-76	\$ 2,066,246	\$ 2,068,660	5.625
Georgia Pacific	2,500	0.000	07-29-76	2,488,281	2,489,306	5.625
Ingersoll Rand	2,000	0.000	07-02-76	1,990,313	1,999,708	5.625
Northwest Banco	2,000	0.000	07-02-76	1,992,908	1,999,708	5.550
Seaway Pipeline	2,000	0.000	07-12-76	1,993,408	1,996,792	5.600
TOTAL	\$ 10,575			\$ 10,531,156	\$ 10,554,174	
FINANCIAL						
Commercial Credit	\$ 1,000	8.000	01-15-81	\$ 1,000,000	\$ 982,500	8.000
Ford Motor Credit	500	10.500	10-01-94	500,000	541,250	10.500
General Electric Credit	1,000	8.650	01-15-84	1,000,000	1,013,750	8.650
Mellon National Bank	1,000	7.800	03-01-82	1,000,000	977,500	7.800
Sears & Roebuck Acceptance	1,000	8.375	12-31-86	998,000	1,007,500	8.400
TOTAL	\$ 4,500			\$ 4,498,000	\$ 4,522,500	
INDUSTRIAL						
Dresser Industries	\$ 1,000	8.650	05-15-85	\$ 1,000,000	\$ 1,010,000	8.650
General Foods	700	7.500	03-01-84	696,500	684,250	7.570
General Motors	1,000	8.050	04-01-85	1,000,000	1,007,500	8.050
Procter & Gamble	1,000	8.250	03-01-05	991,250	998,750	8.329

SHORT TERM INVESTMENT POOL

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
INDUSTRIAL						
RCA	\$ 1,000	10.200	08-15-92	\$ 1,000,000	\$ 1,047,500	10.200
Revlon	1,000	8.450	05-01-85	1,000,000	1,012,500	8.450
TOTAL	<u>\$ 5,700</u>			<u>\$ 5,687,750</u>	<u>\$ 5,760,500</u>	
TRANSPORTATION						
Mobil Alaska Pipeline	\$ 500	8.450	03-01-05	\$ 500,000	\$ 492,500	8.450
TOTAL	<u>\$ 500</u>			<u>\$ 500,000</u>	<u>\$ 492,500</u>	
PUBLIC UTILITIES						
Public Service Electric & Gas	\$ 1,000	8.500	03-01-04	\$ 1,000,000	\$ 942,500	8.500
Public Service Electric & Gas	497	12.000	10-01-04	497,000	556,640	12.000
TOTAL	<u>\$ 1,497</u>			<u>\$ 1,497,000</u>	<u>\$ 1,499,140</u>	
TOTAL INVESTMENTS	<u><u>\$ 165,092</u></u>			<u><u>\$ 163,800,503</u></u>	<u><u>\$ 165,076,233</u></u>	

TREASURER'S FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE		COST	MARKET VALUE	YIELD
CERTIFICATES OF DEPOSIT							
First Citizens Bank—Billings	\$ 100	7.250	11-05-76	\$	100,000	\$ 100,000	7.250
First Citizens Bank—Billings	100	7.250	11-17-76		100,000	100,000	7.250
Midland National Bank—Billings	500	6.625	02-25-77		500,000	500,000	6.625
Midland National Bank—Billings	500	6.250	04-08-77		500,000	500,000	6.250
Valley State Bank—Billings	300	7.750	08-27-76		300,000	300,000	7.750
Western Bank—Billings	200	7.250	01-04-77		200,000	200,000	7.250
Western State Bank—Billings	500	7.250	01-04-77		500,000	500,000	7.250
First Metals Bank—Butte	1,000	7.000	07-06-76		1,000,000	1,000,000	7.000
Montana National Bank—Butte	250	6.625	03-04-77		250,000	250,000	6.625
First National Bank—Ekalaka	100	6.625	03-18-77		100,000	100,000	6.625
First National Bank—Great Falls	500	6.200	04-08-77		500,000	500,000	6.200
First Westside National Bank—Great Falls	500	7.250	01-04-77		500,000	500,000	7.250
First Westside National Bank—Great Falls	200	6.625	03-18-77		200,000	200,000	6.625
First Westside National Bank—Great Falls	100	6.250	03-25-77		100,000	100,000	6.250
Montana Bank—Great Falls	100	7.000	11-12-76		100,000	100,000	7.000
Bank of Montana—Helena	640	6.625	03-04-77		640,000	640,000	6.625
First Security Bank—Helena	200	7.000	01-04-77		200,000	200,000	7.000
First Security Bank—Helena	600	6.625	02-25-77		600,000	600,000	6.625
First National Bank—Hinsdale	100	6.625	03-11-77		100,000	100,000	6.625
First National Bank—Hinsdale	100	6.250	03-25-77		100,000	100,000	6.250
First National Bank—Kalispell	100	6.250	03-25-77		100,000	100,000	6.250
Southside National Bank—Missoula	300	6.250	04-12-77		300,000	300,000	6.250
Toole County State Bank—Shelby	100	6.250	03-25-77		100,000	100,000	6.250
Bank of Sheridan—Sheridan	100	5.750	09-24-76		100,000	100,000	5.750
Bank of Sheridan—Sheridan	100	6.250	12-24-76		100,000	100,000	6.250
Montana Bank—Superior	100	6.625	02-25-77		100,000	100,000	6.625
First State Bank—Whitefish	100	6.625	02-25-77		100,000	100,000	6.625
TOTAL	<u>\$ 7,490</u>			\$	<u>7,490,000</u>	\$ 7,490,000	
GOVERNMENT OBLIGATIONS							
REPURCHASE AGREEMENTS							
Bank of America—San Francisco	\$ 5,130	5.700	07-19-76	\$	5,130,000	\$ 5,130,000	5.700
Seattle First National Bank—Seattle	16,630	5.188	07-01-76		16,630,000	16,630,000	5.188
TOTAL	<u>\$ 21,760</u>			\$	<u>21,760,000</u>	\$ 21,760,000	

TREASURER'S FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
U.S. TREASURY						
U.S. Treasury Bills	\$ 25,000	0.000	07-01-76	\$ 24,992,472	\$ 24,992,472	5.420
U.S. Treasury Notes	1,000	6.000	11-15-78	1,000,000	977,500	6.000
U.S. Treasury Notes	2,000	6.000	11-15-78	2,003,320	1,955,000	5.912
U.S. Treasury Notes	1,000	6.000	11-15-78	1,000,666	977,500	5.963
TOTAL	<u>\$ 29,000</u>			<u>\$ 28,996,458</u>	<u>\$ 28,902,472</u>	
SHORT TERM INVESTMENT POOL	<u>\$ 102,365</u>			<u>\$ 102,364,546</u>	<u>\$ 102,364,546</u>	
TOTAL INVESTMENTS	<u><u>\$ 160,615</u></u>			<u><u>\$ 160,611,004</u></u>	<u><u>\$ 160,517,018</u></u>	

PUBLIC EMPLOYEES' RETIREMENT SYSTEM FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
MONTANA OBLIGATIONS						
ESC Building Revenue	\$ 745	8.000	06-01-86	\$ 744,944	\$ 745,000	8.000
ESC Building Revenue	434	8.000	06-01-88	433,812	434,000	8.000
TOTAL	<u>\$ 1,179</u>			<u>\$ 1,178,756</u>	<u>\$ 1,179,000</u>	
GOVERNMENT OBLIGATIONS REPURCHASE AGREEMENTS						
Seattle First National Bank-Seattle	\$ 1,000	5.250	07-01-76	\$ 1,000,000	\$ 1,000,000	5.250
TOTAL	<u>\$ 1,000</u>			<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	
U.S. TREASURY						
U.S. Treasury Bonds	\$ 500	7.875	02-15-00	\$ 482,889	\$ 490,000	8.200
TOTAL	<u>\$ 500</u>			<u>\$ 482,889</u>	<u>\$ 490,000</u>	
FEDERAL AGENCIES						
Farmers Home Administration	\$ 140	8.750	12-09-94	\$ 140,164	\$ 144,542	8.750
Farmers Home Administration	376	8.750	12-26-94	376,203	390,119	8.750
Farmers Home Administration	681	8.750	05-04-95	681,217	703,228	8.750
International Bank for Reconstruction	500	8.125	08-01-96	500,000	470,000	8.125
Martin Luther Tower	56	5.150	05-01-06	51,925	36,190	5.717
Mutual Mortgage General Insurance	130	4.125	12-01-85	124,850	97,175	4.695
TOTAL	<u>\$ 1,883</u>			<u>\$ 1,874,359</u>	<u>\$ 1,841,254</u>	
U.S. GOVERNMENT GUARANTEED						
Global Marine Deepwater Drilling	\$ 500	8.500	03-01-98	\$ 500,000	\$ 499,900	8.500
Northwest Shipping	1,000	8.350	07-01-96	1,000,000	1,015,000	8.350
Texaco Star Tankers	1,000	9.250	07-03-99	1,000,000	1,086,250	9.250
Whitney Steamship	495	9.300	04-29-00	494,625	551,306	9.300
TOTAL	<u>\$ 2,995</u>			<u>\$ 2,994,625</u>	<u>\$ 3,152,456</u>	
CANADIAN OBLIGATIONS						
British Columbia Hydro & Power	\$ 500	9.625	06-01-05	\$ 498,795	\$ 510,000	9.650
Canadian National Railway	500	9.000	07-01-91	500,000	470,625	9.000
Canadian Pacific Equipment	500	10.125	07-02-90	500,000	514,375	10.125
Hydro-Quebec	500	10.000	11-15-05	500,000	518,750	10.000
Manitoba Hydro Electric	500	9.250	06-15-04	498,834	492,500	9.270
Manitoba Hydro Electric	500	9.375	12-01-04	482,225	496,250	9.763
Municipal Finance Authority of B.C.	1,000	8.875	05-01-01	1,000,000	947,500	8.875
Nova Scotia Power	500	10.500	09-15-00	500,000	527,500	10.500
Ontario Hydro	1,000	9.500	03-15-96	1,000,000	1,000,000	9.500
Quebec Hydro Electric	500	10.700	08-01-99	500,000	555,000	10.700

PUBLIC EMPLOYEES' RETIREMENT SYSTEM FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
CANADIAN OBLIGATIONS						
Quebec Hydro Electric	\$ 600	8.500	08-01-03	\$ 597,290	\$ 546,720	8.550
Quebec Hydro Electric	500	8.500	08-01-03	490,395	455,600	8.700
Quebec Hydro Electric	1,000	8.250	01-01-04	995,393	886,200	8.295
TOTAL	\$ 8,100			\$ 8,062,932	\$ 7,921,020	
CORPORATE OBLIGATIONS						
CONVERTIBLES						
Citicorp	\$ 100	5.750	06-03-00	\$ 100,000	\$ 103,500	5.750
First Bank System	100	6.250	06-30-00	100,000	106,250	6.250
Georgia Pacific	100	6.250	05-15-00	100,000	115,500	6.250
Hercules	200	6.500	06-30-99	200,000	217,000	6.500
MGIC Investment	55	5.000	12-15-93	55,000	30,113	5.000
J. P. Morgan & Co.	150	4.750	11-01-98	150,000	138,750	4.750
West Point Pepperell	250	7.750	10-15-00	250,000	268,750	7.750
TOTAL	\$ 955			\$ 955,000	\$ 979,863	
FINANCIAL						
Avco Financial Services	\$ 250	7.875	05-01-92	\$ 248,004	\$ 213,750	7.976
Avco Financial Services	500	7.625	12-01-97	500,000	407,500	7.625
Commercial Credit	500	8.000	01-15-81	500,000	490,000	8.000
Commercial Credit	500	7.750	02-15-92	496,019	434,850	7.851
Dominion Bankshares	300	7.750	11-15-96	300,000	258,390	7.750
First Bank System	200	6.750	09-15-79	200,000	191,760	6.750
First National Bank—Arizona	500	7.700	04-01-97	498,952	426,900	7.722
Ford Motor Credit	500	7.250	05-01-79	499,406	492,500	7.302
Ford Motor Credit	500	7.250	05-01-79	501,425	492,500	7.124
General Electric Credit	500	8.875	06-01-82	500,000	507,500	8.875
Walter E. Heller	500	7.750	04-01-92	497,009	446,250	7.825
Honeywell Finance	500	9.650	11-01-81	500,000	521,250	9.650
Honeywell Finance	500	8.200	12-15-98	500,000	452,850	8.200
Household Finance	150	7.750	10-01-99	150,000	133,695	7.750
Industrial National Corp.	500	7.400	07-01-81	500,000	483,150	7.400
International Harvester Credit	500	8.625	08-01-91	500,000	455,950	8.625
International Harvester Credit	500	7.500	01-15-94	497,910	415,350	7.550
Northwest Bankcorporation	500	7.750	03-15-03	500,000	435,650	7.750
J. C. Penney Financial	300	7.875	09-15-91	298,838	268,860	7.925
Transamerica Financial	500	7.875	11-01-91	497,086	432,500	7.951
TOTAL	\$ 8,700			\$ 8,684,649	\$ 7,961,155	
INDUSTRIAL						
Allied Chemical	\$ 500	7.875	09-01-96	\$ 496,914	\$ 468,150	7.944

PUBLIC EMPLOYEES' RETIREMENT SYSTEM FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
INDUSTRIAL						
American Cyanamid	\$ 500	8.375	03-15-06	\$ 497,522	\$ 497,750	8.420
Atlantic Richfield	315	7.750	12-15-03	315,000	290,021	7.750
Berkshire Hathaway	500	8.000	03-01-93	500,000	467,500	8.000
Bethlehem Steel	1,000	8.375	03-01-01	992,598	983,000	8.450
Caterpillar Tractor	400	8.600	05-01-99	400,000	404,000	8.600
Central Soya	250	7.500	08-01-97	249,472	226,250	7.520
Channelview Leasing	500	9.250	07-15-96	500,000	540,625	9.250
Cities Service	500	9.750	10-01-00	497,573	525,000	9.800
Continental Oil	500	8.875	06-01-01	498,754	506,250	8.900
Countrywide Stations	477	7.750	12-01-01	477,000	444,803	7.750
Crown Zellerbach	961	8.125	05-01-94	961,213	906,944	8.125
Dresser Industries	500	8.650	05-15-85	500,000	505,000	8.650
Dupont	500	8.500	05-01-06	500,000	503,350	8.500
Halliburton	500	9.250	04-01-00	497,623	522,500	9.301
Hooker Chemical	529	10.500	06-29-96	529,167	615,624	10.500
Ingersoll Rand	500	8.750	05-01-85	498,675	482,500	8.796
International Harvester	500	9.000	06-15-04	496,271	477,950	9.080
International Minerals & Chemicals	500	9.350	11-01-00	500,000	510,000	9.350
International Paper	500	8.850	12-15-00	500,000	507,500	8.850
Kewanee Oil	400	7.625	05-15-97	400,000	340,320	7.625
N. L. Industries	500	9.375	07-01-00	500,000	503,750	9.375
Nabisco	350	7.750	11-01-03	348,403	320,495	7.793
Phillips Petroleum	500	8.875	11-15-00	500,000	505,000	8.875
RCA	600	10.200	08-15-92	600,000	630,000	10.200
Sears & Roebuck	500	8.000	04-01-06	498,757	485,000	8.020
Shell Oil	500	8.750	05-15-05	496,386	506,250	8.821
Standard Oil—California	333	7.500	01-01-99	333,335	303,030	7.500
Systems Building	756	8.000	07-01-97	755,690	702,135	8.000
Texaco	1,000	8.500	04-01-06	992,563	990,000	8.570
Union Oil—California	500	7.500	01-01-98	500,000	455,625	7.500
Union Oil—California	1,400	8.625	03-01-06	1,389,609	1,379,000	8.700
TOTAL	\$ 17,771			\$ 17,722,525	\$ 17,505,322	
TRANSPORTATION						
American Rail Box Car	\$ 461	9.125	11-01-90	\$ 461,080	\$ 488,660	9.125
Atchison Topeka & Santa Fe	1,011	8.625	09-19-89	1,010,855	1,094,408	8.625
Burlington Northern	500	7.375	12-01-86	498,354	466,450	7.431
Burlington Northern	500	8.600	01-15-99	500,000	470,000	8.600
California & Hawaiian Sugar	467	8.250	08-24-93	467,466	446,569	8.250
Colonial Pipeline	480	7.875	06-01-02	480,000	453,600	7.875
Exxon Pipeline	500	8.050	10-15-80	500,000	506,050	8.050
General American Transport	500	8.750	05-01-81	500,000	531,250	8.750

PUBLIC EMPLOYEES' RETIREMENT SYSTEM FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
TRANSPORTATION						
Great Northern	\$ 135	4.125	03-01-77	\$ 134,830	\$ 133,144	4.349
Great Northern	300	4.125	02-01-78	287,072	288,375	7.400
Lakehead Pipeline	200	7.600	06-15-97	200,000	177,760	7.600
Michigan Wisconsin Pipeline	300	7.625	10-01-92	298,169	271,125	7.699
Norfolk & Western	25	3.875	01-01-78	24,314	23,813	6.249
Northern Pacific	100	4.125	01-09-77	99,872	99,500	4.399
St. Louis Southwestern	400	7.125	02-01-78	400,652	402,000	7.000
Socal Vessel 1730	333	7.500	01-01-99	333,335	303,030	7.500
Trailer Train	500	8.750	04-01-89	500,000	509,375	8.750
Trailer Train	483	11.250	07-15-89	483,292	586,241	11.250
Union Pacific	500	8.600	05-01-83	500,000	512,500	8.600
Union Pacific	500	8.400	03-01-01	500,000	494,750	8.400
TOTAL	\$ 8,195			\$ 8,179,291	\$ 8,258,600	

PUBLIC UTILITIES

Alabama Power	\$ 500	10.500	12-01-05	\$ 500,000	\$ 522,500	10.500
American Tel. & Tel.	100	2.750	08-01-80	95,593	85,110	4.369
American Tel. & Tel.	400	5.625	08-01-95	401,905	300,520	5.579
American Tel. & Tel.	100	5.625	08-01-95	100,476	75,130	5.582
American Tel. & Tel.	225	5.625	08-01-95	193,653	169,043	7.124
American Tel. & Tel.	150	4.375	10-01-96	149,585	94,605	4.397
American Tel. & Tel.	100	4.750	06-01-98	104,908	65,670	4.371
American Tel. & Tel.	400	4.375	05-01-99	402,369	246,000	4.330
American Tel. & Tel.	31	4.375	05-01-99	30,945	19,065	4.388
American Tel. & Tel.	65	4.375	05-01-99	64,634	39,975	4.417
American Tel. & Tel.	400	8.700	12-01-02	400,000	404,000	8.700
Arizona Public Service	700	7.450	03-15-02	700,000	566,160	7.450
Arkansas Louisiana Gas	200	4.375	04-01-83	199,234	162,760	4.452
Atlantic City Electric	225	4.375	03-01-93	226,256	135,563	4.323
Baltimore Gas & Electric	200	4.500	07-15-94	201,639	122,500	4.426
Bell Tel.—Pennsylvania	500	8.625	07-01-06	528,087	493,400	8.075
Bell Tel.—Pennsylvania	200	6.750	05-01-08	200,000	163,000	6.750
Bell Tel.—Pennsylvania	250	8.000	08-01-09	261,653	237,000	7.578
Boston Edison	23	3.000	08-01-84	20,863	14,893	4.325
Boston Edison	143	4.625	06-01-87	129,746	96,168	6.066
Boston Edison	350	4.750	11-01-95	353,350	197,750	4.669
Carolina Power & Light	50	6.875	10-01-98	46,965	38,440	7.500
Central Illinois Light	125	9.125	08-01-00	129,487	123,125	8.721
Central Illinois Light	500	9.250	05-01-06	496,263	496,900	9.330
Central Illinois Public Service	115	4.500	05-01-94	115,932	71,588	4.427
Central Tel.—Delaware	500	7.600	10-01-97	500,000	436,900	7.600
Chesapeake & Potomac Tel.—Maryland	60	4.125	12-01-93	49,337	36,900	6.039

PUBLIC EMPLOYEES' RETIREMENT SYSTEM FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
PUBLIC UTILITIES						
Chesapeake & Potomac Tel.—Maryland	\$ 615	6.625	10-01-08	\$ 616,870	\$ 492,000	6.599
Chesapeake & Potomac Tel.—Virginia	200	5.250	05-01-05	202,483	132,260	5.159
Chesapeake & Potomac Tel.—Virginia	250	5.625	03-01-07	253,582	173,450	5.518
Chesapeake & Potomac Tel.—Virginia	700	5.625	03-01-07	586,966	485,660	7.039
Chesapeake & Potomac Tel.—Virginia	265	6.750	05-01-08	265,546	214,650	6.731
Chesapeake & Potomac Tel.—Virginia	500	8.750	03-01-10	493,345	494,550	8.887
Chesapeake & Potomac Tel.—Washington, D.C.	100	4.375	02-01-98	99,637	60,130	4.403
Chesapeake & Potomac Tel.—West Virginia	400	7.250	05-01-09	402,294	342,520	7.199
Cincinnati Bell Tel.	500	7.375	08-01-11	498,570	435,650	7.400
Cincinnati Gas & Electric	200	7.375	05-01-99	201,223	170,260	7.312
Cleveland Electric	100	2.750	09-01-85	87,454	64,380	4.359
Cleveland Electric	140	7.125	01-15-90	141,333	119,700	6.998
Commonwealth Edison	85	4.250	03-01-87	84,612	61,736	4.318
Commonwealth Edison	215	4.250	03-01-87	190,776	156,155	5.968
Commonwealth Edison	100	4.625	03-01-90	101,609	69,630	4.459
Commonwealth Edison	100	4.625	03-01-90	101,601	69,630	4.437
Commonwealth Edison	400	8.750	03-01-05	400,000	398,000	8.750
Connecticut Light & Power	212	6.875	10-01-98	210,424	165,890	6.949
Connecticut Light & Power	270	6.875	10-01-98	266,927	211,275	6.988
Consolidated Edison—New York	250	7.900	04-15-02	250,000	194,250	7.900
Consolidated Edison—New York	200	7.900	04-15-02	197,403	155,400	8.056
Consolidated Edison—New York	200	7.900	04-15-02	196,970	155,400	8.033
Consolidated Edison—New York	250	7.900	04-15-02	247,295	194,250	8.011
Consolidated Natural Gas	500	9.250	07-01-95	500,000	509,400	9.250
Consumers Power	40	4.625	08-01-89	40,770	25,200	4.334
Consumers Power	300	11.375	08-01-94	300,000	317,640	11.375
Consumers Power	50	6.875	05-01-98	50,285	37,375	6.815
Dayton Power & Light	500	8.125	08-01-01	498,931	454,400	8.147
Dayton Power & Light	500	8.000	11-01-03	500,000	445,650	8.000
Dayton Power & Light	500	10.700	08-01-05	500,000	547,500	10.700
Delaware Power & Light	200	4.625	10-01-94	202,966	121,000	4.494
Detroit Edison	665	9.000	12-01-99	723,985	564,452	8.046
Detroit Edison	500	9.875	05-01-04	488,943	453,150	10.130
Diamond State Tel.	100	4.625	09-01-05	100,219	59,000	4.610
Duke Power	200	4.500	02-01-92	202,659	128,000	4.367
Duke Power	200	5.375	04-01-97	201,130	135,160	5.324
Duke Power	175	6.375	02-01-98	176,044	132,650	6.318
Duquesne Light	300	7.000	01-01-99	298,785	241,890	7.040
Duquesne Light	245	7.750	07-01-99	247,560	215,600	7.642
Duquesne Light	350	8.750	03-01-00	350,000	334,705	8.750
Equitable Gas	478	8.000	06-15-97	478,000	443,943	8.000
Florida Power & Light	250	4.625	04-01-94	254,733	157,200	4.457

PUBLIC EMPLOYEES' RETIREMENT SYSTEM FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
PUBLIC UTILITIES						
Florida Power & Light	\$ 200	5.000	12-01-95	\$ 126,112	\$ 129,260	9.200
Florida Power & Light	300	7.750	09-01-01	304,514	265,500	7.599
Florida Power	200	9.000	11-01-00	205,490	196,500	8.692
General Tel.—Midwest	500	7.625	01-01-03	500,000	431,250	7.625
General Tel.—Southwest	300	7.500	10-01-02	296,908	253,590	7.600
Georgia Power	300	7.375	03-01-01	294,251	237,750	7.565
Georgia Power	500	7.500	12-01-02	500,000	395,800	7.500
Gulf States Utilities	250	6.750	10-01-98	237,286	200,325	7.266
Houston Lighting & Power	50	6.750	11-01-97	50,640	40,440	6.623
Idaho Power	100	4.500	10-15-88	100,718	68,750	4.415
Idaho Power	100	4.500	11-01-91	101,254	64,000	4.375
Illinois Bell Tel.	35	4.250	03-01-88	30,723	24,983	6.015
Indiana & Michigan Electric	215	4.375	08-01-93	215,169	115,563	4.367
Indiana Bell Tel.	450	4.375	06-01-03	451,645	257,085	4.348
Indiana Bell Tel.	200	5.500	04-01-07	201,363	135,760	5.449
Iowa Illinois Gas & Electric	500	8.750	04-01-06	498,760	485,650	8.770
Iowa Public Service	200	7.375	06-01-02	195,669	167,000	7.588
Jersey Central Power & Light	500	8.000	11-01-01	505,351	418,750	7.890
Kansas City Power & Light	225	5.750	05-15-97	225,650	162,293	5.723
Kansas City Power & Light	200	6.750	04-01-98	201,755	160,500	6.662
Kansas City Power & Light	260	7.125	02-01-99	261,437	216,788	7.069
Kentucky Power	500	5.125	01-01-96	386,340	315,650	7.650
Lone Star Gas	500	7.500	12-01-96	498,970	430,000	7.522
Louisville Gas & Electric	45	2.750	11-01-79	42,625	38,700	4.263
Michigan Bell Tel.	175	6.375	02-01-05	176,154	133,438	6.319
Michigan Bell Tel.	450	6.375	02-01-05	447,656	343,125	6.419
Michigan Consolidated Gas	30	4.500	03-15-88	30,399	20,850	4.338
Minnesota Gas	200	7.875	12-01-96	200,000	178,260	7.875
Minnesota Power & Light	500	10.500	08-01-05	500,000	538,150	10.500
Mississippi Power & Light	500	7.750	05-01-02	500,000	433,750	7.750
Montana Power	20	4.500	04-01-89	20,228	13,800	4.367
Montana Power	221	4.500	04-01-89	222,621	152,490	4.415
Montana Power	400	7.500	04-01-01	400,000	339,080	7.500
Montana Power	500	8.625	03-01-04	501,234	490,000	8.600
Montana Power	500	9.600	07-01-05	500,000	517,500	9.600
Mountain States Tel. & Tel.	500	8.700	09-01-81	500,000	516,400	8.700
Mountain States Tel. & Tel.	100	4.375	02-01-88	99,593	72,250	4.426
Mountain States Tel. & Tel.	100	4.375	02-01-88	98,201	72,250	5.996
Mountain States Tel. & Tel.	100	4.375	02-01-88	88,845	72,250	4.602
Mountain States Tel. & Tel.	200	5.000	04-01-00	206,590	130,760	4.746
Mountain States Tel. & Tel.	100	5.500	06-01-05	100,668	68,880	5.449
Mountain States Tel. & Tel.	300	6.000	08-01-07	300,000	220,890	6.000

PUBLIC EMPLOYEES' RETIREMENT SYSTEM FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
PUBLIC UTILITIES						
Mountain States Tel. & Tel.	\$ 200	6.000	08-01-07	\$ 200,000	\$ 147,260	5.947
Mountain States Tel. & Tel.	160	6.000	08-01-07	153,899	117,808	6.309
Mountain States Tel. & Tel.	80	9.000	11-01-10	80,000	81,200	9.000
Mountain States Tel. & Tel.	500	9.750	08-01-12	496,673	531,250	9.820
New England Tel. & Tel.	100	4.625	04-01-99	102,039	61,250	4.467
New England Tel. & Tel.	200	6.125	10-01-06	201,647	147,500	6.059
New England Tel. & Tel.	350	6.125	10-01-06	350,000	258,125	6.125
New Jersey Bell Tel.	150	5.875	12-01-06	151,709	109,125	5.786
New Jersey Bell Tel.	300	6.625	04-01-08	301,323	240,390	6.536
New Jersey Bell Tel.	200	9.350	06-01-10	200,000	207,180	9.350
New Jersey Bell Tel.	1,040	7.250	04-01-11	1,016,809	894,400	7.447
New York State Electric & Gas	100	5.625	01-01-97	83,650	68,750	7.357
New York Tel.	176	4.500	05-15-91	154,549	119,240	5.969
New York Tel.	800	4.500	05-15-91	638,362	542,000	6.956
New York Tel.	69	4.125	07-01-93	57,284	42,780	5.988
New York Tel.	150	4.625	10-01-97	152,019	94,875	4.516
New York Tel.	100	4.625	10-01-97	85,784	63,250	5.996
New York Tel.	65	4.625	01-01-02	65,941	39,572	4.521
New York Tel.	470	4.625	01-01-04	476,445	282,000	4.529
New York Tel.	450	4.875	01-01-06	453,679	279,585	4.818
New York Tel.	171	4.875	01-01-06	148,219	106,242	5.983
New York Tel.	300	8.000	07-15-08	314,064	280,470	6.445
New York Tel.	250	7.500	03-01-09	253,494	220,950	7.374
North Electric	500	8.625	09-01-96	500,000	493,750	8.625
Northern Illinois Gas	200	7.625	07-01-97	200,463	178,000	7.539
Northern Indiana Public Service	150	4.625	05-15-95	152,203	95,610	4.499
Northern States Power	250	4.500	08-01-94	252,154	152,200	4.423
Northwestern Bell Tel.	150	4.375	05-01-89	132,207	104,625	5.974
Northwestern Bell Tel.	175	4.375	03-01-03	177,403	101,500	4.283
Northwestern Bell Tel.	500	6.250	01-01-07	497,886	382,500	6.284
Northwestern Bell Tel.	150	7.000	01-01-09	150,000	124,875	7.000
Northwestern Bell Tel.	200	7.000	01-01-09	199,795	166,500	7.009
Northwestern Bell Tel.	300	7.875	01-01-11	313,382	279,390	7.479
Ohio Bell Tel.	200	5.000	02-01-06	201,638	127,000	4.942
Ohio Bell Tel.	325	5.375	03-01-07	325,000	219,375	5.375
Ohio Bell Tel.	395	6.750	07-01-08	396,716	319,950	6.713
Ohio Bell Tel.	100	8.750	01-01-10	100,222	98,930	8.727
Ohio Edison	50	4.500	04-01-89	50,434	33,000	4.400
Ohio Edison	300	8.250	09-01-99	304,962	269,640	8.071
Ohio Edison	250	9.250	05-01-00	250,528	243,125	9.225
Pacific Gas & Electric	100	4.500	06-01-96	100,511	59,920	4.455
Pacific Gas & Electric	100	4.500	06-01-96	101,073	59,920	4.410

PUBLIC EMPLOYEES' RETIREMENT SYSTEM FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
PUBLIC UTILITIES						
Pacific Gas & Electric	\$ 100	5.500	06-01-99	\$ 82,866	\$ 67,750	7.201
Pacific Gas & Electric	380	8.000	06-01-03	399,693	338,200	7.502
Pacific Northwest Bell Tel.	140	4.500	11-01-94	120,098	89,950	5.997
Pacific Northwest Bell Tel.	281	4.500	12-01-00	281,000	168,965	4.500
Pacific Northwest Bell Tel.	110	6.750	12-01-07	111,317	88,550	6.649
Pacific Northwest Bell Tel.	250	6.750	12-01-07	255,093	201,250	6.580
Pacific Northwest Bell Tel.	150	6.750	12-01-07	155,951	120,750	6.426
Pacific Northwest Bell Tel.	500	6.750	12-01-07	363,830	402,500	9.650
Pacific Northwest Bell Tel.	200	7.750	08-01-09	200,000	181,420	7.750
Pacific Northwest Bell Tel.	300	7.750	08-01-09	294,054	272,130	7.937
Pacific Northwest Bell Tel.	100	8.625	10-01-10	99,022	98,090	8.726
Pacific Northwest Bell Tel.	300	8.625	10-01-10	315,978	294,270	8.115
Pacific Tel. & Tel.	100	5.125	08-01-80	101,419	91,380	4.740
Pacific Tel. & Tel.	100	5.125	08-01-80	101,248	91,380	4.693
Pacific Tel. & Tel.	73	3.125	09-15-83	67,242	54,568	4.360
Pacific Tel. & Tel.	100	4.375	08-15-88	88,782	70,500	5.984
Pacific Tel. & Tel.	50	4.625	05-01-00	50,000	30,750	4.617
Pacific Tel. & Tel.	80	4.625	05-01-00	80,000	49,200	4.625
Pacific Tel. & Tel.	175	6.000	11-01-02	176,056	126,840	5.949
Pacific Tel. & Tel.	200	6.000	11-01-02	202,649	144,960	5.890
Pacific Tel. & Tel.	1,000	6.000	11-01-02	881,734	724,800	7.098
Pacific Tel. & Tel.	300	6.000	11-01-02	220,010	217,440	8.700
Pacific Tel. & Tel.	300	8.750	10-01-06	299,674	292,170	8.761
Pacific Tel. & Tel.	360	7.800	03-01-07	360,000	325,800	7.800
Pacific Tel. & Tel.	300	7.800	03-01-07	308,574	271,500	7.535
Pacific Tel. & Tel.	200	9.500	06-15-11	189,534	224,750	10.070
Pennsylvania Electric	200	4.625	10-01-94	202,967	116,000	4.494
Philadelphia Electric	10	3.125	04-01-85	9,218	6,738	4.372
Philadelphia Electric	16	3.125	04-01-85	14,658	10,781	4.244
Philadelphia Electric	175	4.500	05-01-94	175,992	105,875	4.449
Philadelphia Electric	250	6.125	10-01-97	250,600	181,875	6.102
Philadelphia Electric	50	6.125	10-01-97	48,877	36,375	6.341
Potomac Edison	100	4.625	03-01-94	100,846	60,750	4.568
Potomac Electric Power	300	4.375	02-15-98	302,168	168,750	4.318
Potomac Electric Power	200	7.750	10-01-07	200,447	166,840	7.730
Public Service—Colorado	100	4.625	05-01-89	101,717	69,380	4.433
Public Service—Colorado	100	4.500	10-01-91	100,619	65,250	4.436
Public Service—New Mexico	200	7.500	06-15-02	197,949	173,260	7.600
Rochester Gas & Electric	100	4.625	09-15-94	101,577	59,880	4.494
Rochester Gas & Electric	100	4.625	09-15-94	101,479	59,880	4.486
South Central Bell Tel.	200	8.500	11-01-01	200,928	195,920	8.449
Southern Bell Tel. & Tel.	53	4.000	10-01-83	47,867	42,336	6.101

PUBLIC EMPLOYEES' RETIREMENT SYSTEM FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
PUBLIC UTILITIES						
Southern Bell Tel. & Tel.	\$ 100	4.625	12-01-93	\$ 102,134	\$ 66,630	4.426
Southern Bell Tel. & Tel.	100	4.625	12-01-93	102,134	66,630	4.441
Southern Bell Tel. & Tel.	105	5.000	12-01-97	108,220	70,350	4.755
Southern Bell Tel. & Tel.	100	4.375	03-01-98	97,197	60,880	4.599
Southern Bell Tel. & Tel.	300	8.000	07-01-99	302,484	282,930	7.911
Southern Bell Tel. & Tel.	50	4.750	09-01-00	50,463	31,420	4.654
Southern Bell Tel. & Tel.	50	4.750	09-01-00	50,629	31,420	4.679
Southern Bell Tel. & Tel.	300	4.750	09-01-00	229,360	188,520	6.997
Southern Bell Tel. & Tel.	130	4.375	08-01-03	130,238	75,244	4.361
Southern Bell Tel. & Tel.	70	4.375	08-01-03	69,733	40,516	4.402
Southern Bell Tel. & Tel.	100	6.000	10-01-04	102,998	73,620	5.762
Southern Bell Tel. & Tel.	200	6.000	10-01-04	205,791	147,240	5.770
Southern Bell Tel. & Tel.	300	6.000	10-01-04	264,806	220,860	7.060
Southern Bell Tel. & Tel.	350	6.000	10-01-04	306,655	257,670	7.127
Southern Bell Tel. & Tel.	1,500	8.250	04-15-16	1,492,533	1,443,750	8.290
Southern California Edison	200	4.375	05-15-88	201,062	140,260	4.316
Southern California Edison	200	4.375	03-01-89	199,176	137,000	4.421
Southern California Edison	250	6.125	08-15-91	229,241	197,500	7.143
Southern California Gas	200	4.375	07-01-88	200,935	139,000	4.319
Southern California Gas	200	5.875	12-01-91	177,173	153,260	7.264
Southern California Gas	300	7.625	09-01-97	300,632	265,140	7.602
Southern California Gas	200	7.625	09-01-97	200,843	176,760	7.579
Southern New England Tel.	100	7.750	06-01-04	100,000	89,000	7.750
Southwestern Bell Tel.	135	4.500	08-01-97	137,664	83,646	4.345
Southwestern Bell Tel.	100	8.250	09-01-05	101,103	95,970	8.139
Southwestern Bell Tel.	495	6.750	06-01-08	502,510	400,653	6.624
Southwestern Bell Tel.	410	6.750	06-01-08	420,640	331,854	6.537
Southwestern Bell Tel.	100	6.750	06-01-08	103,571	80,940	6.459
Southwestern Electric Power	300	4.375	04-01-93	300,566	187,500	4.356
Southwestern Public Service	70	4.500	02-01-94	70,348	43,750	4.454
Southwestern Public Service	30	4.500	02-01-94	30,000	18,765	4.500
Tennessee Valley Authority	150	9.000	03-15-95	152,409	153,750	8.799
Texas Electric Service	300	4.375	04-01-93	301,976	192,390	4.314
Texas Electric Service	200	4.500	02-01-95	201,152	127,260	4.454
Texas Power & Light	100	4.500	01-01-91	101,401	67,380	4.360
Texas Power & Light	100	8.875	09-01-00	102,006	99,530	8.651
Tucson Gas & Electric	250	4.550	02-01-95	250,000	154,375	4.550
Union Electric	100	4.500	11-01-93	100,621	60,630	4.441
United Illuminating	500	8.250	12-15-03	500,000	438,750	8.250
United Inter-Mountain Tel.	485	11.000	10-01-99	485,000	592,306	11.000
United Tel.—Carolinas	500	9.875	10-01-00	500,000	556,250	9.875
United Tel.—Carolinas	485	7.875	10-01-02	485,000	441,350	7.875

PUBLIC EMPLOYEES' RETIREMENT SYSTEM FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
PUBLIC UTILITIES						
United Tel.—Missouri	\$ 485	7.875	06-01-03	\$ 485,000	\$ 441,350	7.875
United Tel.—Northwest	500	10.750	09-01-99	500,000	598,750	10.750
Utah Power & Light	300	7.500	05-01-02	300,000	253,140	7.500
Utah Power & Light	500	10.250	11-01-05	502,450	535,600	10.190
Virginia Electric & Power	100	4.500	12-01-93	100,716	61,750	4.432
Washington Water Power	200	4.625	09-01-94	200,000	123,500	4.625
Wisconsin Power & Light	49	4.625	03-01-89	49,813	34,364	4.436
Wisconsin Public Service	300	4.500	06-01-94	301,035	187,500	4.469
TOTAL	<u>\$ 62,171</u>			<u>\$ 61,156,945</u>	<u>\$ 51,004,784</u>	
COMMON STOCK HOLDINGS	<u>\$ 6,624</u>			<u>\$ 6,623,685</u>	<u>\$ 8,417,916</u>	
MORTGAGES	<u>\$ 20,051</u>			<u>\$ 20,050,953</u>	<u>\$ 20,050,953</u>	
BUILDING & LAND	<u>\$ 156</u>			<u>\$ 156,249</u>	<u>\$ 156,249</u>	
TOTAL INVESTMENTS	<u><u>\$ 140,280</u></u>			<u><u>\$ 139,122,858</u></u>	<u><u>\$ 129,918,572</u></u>	

COMMON STOCK PORTFOLIO
06-30-76*

INDUSTRY/COMPANY	SHARES		COST		MARKET 06-30-76	ANNUAL DIVIDEND P/S	% YIELD
AIRLINES							
Delta	6,000	\$	205,914	\$	267,000	\$.60	1.75
BANKING							
Citicorp	4,000		113,825		144,500	.96	3.37
Mfs. Hanover	10,000		380,905		395,000	1.80	4.73
NW Bancorporation	9,000		380,600		479,250	1.70	4.02
Wells Fargo	19,000		337,544		456,000	1.00	5.63
CHEMICAL							
American Cyanamid	16,000		329,192		408,000	1.50	7.29
Hercules	7,000		221,711		225,750	.80	2.53
Monsanto	6,000		352,591		559,500	2.80	4.76
Union Carbide	4,000		263,515		270,500	2.50	3.79
CONSUMER GOODS							
General Mills	16,000		385,141		504,000	.76	3.16
Pillsbury	2,172		56,322		79,550	1.00	3.86
R.J. Reynolds	5,000		307,770		281,875	3.08	5.00
DRUGS							
Abbot Labs	16,000		425,153		708,000	.88	3.31
Bristol Myers	6,000		261,585		477,000	1.80	4.13
Smith Kline	8,000		358,511		565,000	2.00	4.46
ELECTRONICS							
RCA	20,000		354,269		580,000	1.00	5.65
INSURANCE							
Farmers Group	6,000		115,500		130,500	.40	2.08
St. Paul Companies	14,000		400,500		381,500	.72	2.52
MISCELLANEOUS SERVICES							
CBS	4,000		198,367		235,000	1.66	3.35
Household Finance	10,000		182,153		185,000	1.10	6.04
Owens Illinois	11,000		383,784		665,500	1.88	5.39
OFFICE EQUIPMENT							
IBM	2,100		447,673		581,175	7.00	3.28
PAPER & FOREST PRODUCTS							
Georgia Pacific	11,839		355,221		609,709	1.20	4.00
International Paper	9,000		391,222		657,000	2.00	4.60

COMMON STOCK PORTFOLIO
06-30-76*

	SHARES	COST	MARKET 06-30-76	ANNUAL DIVIDEND P/S	% YIELD
PETROLEUM & GAS					
Arkansas Louisiana Gas	20,000	\$ 324,981	\$ 540,000	\$ 1.70	10.46
Atlantic Richfield	4,000	330,601	418,000	3.20	3.87
Exxon	5,000	448,450	523,125	5.15	5.74
Mobil Oil	9,000	448,979	538,875	3.40	6.81
Phillips Petroleum	9,000	397,643	552,375	1.80	4.07
Standard Oil of Indiana	10,000	476,764	505,000	2.30	4.82
Union Oil of California	12,000	452,381	657,000	2.10	5.57
RETAIL					
Safeway	7,000	238,018	285,250	2.00	5.88
TIRE & RUBBER					
Goodyear	22,000	355,713	506,000	1.10	6.80
UTILITIES (COMMUNICATIONS)					
American Tel. & Tel.	7,000	316,965	395,500	3.80	8.39
Central Telephone	18,000	332,151	396,000	1.36	7.37
Communication Satellite	12,000	414,246	313,500	1.00	2.90
UTILITIES (ELECTRICAL)					
Arizona Public Service	26,000	439,485	409,500	1.36	8.05
Florida Power & Light	16,000	421,907	382,000	1.56	5.92
Montana Power	14,000	383,603	343,000	1.80	6.57
Texas Utilities	16,000	312,886	304,000	1.32	6.75
TOTAL	<u>429,111</u>	<u>\$ 13,303,741</u>	<u>\$ 16,915,434</u>		<u>Avg. 5.11%</u>

*Public Employees' Retirement System and Teachers' Retirement System each own 50% with one exception. The Pillsbury holding is entirely owned by Teachers' Retirement System.

COMMON STOCK PERFORMANCE COMPARISONS
Annualized Time-Weighted Total Rates of Return

	Sept. 30, '75	Quarter Ending Dec. 31, '75	March 31, '75	June 30, '76	Fiscal Year 1976
MONTANA	-7.42%	9.91%	12.08%	4.41%	19.08%
A. G. Becker 1st Quartile*	-12.21%	9.85%	15.08%	2.98%	11.57%
A. G. Becker Median*	-13.94%	7.89%	13.51%	1.69%	8.07%
S & P 500	-10.97%	8.66%	15.01%	2.49%	14.03%

*A. G. Becker sample includes over 3,000 funds managed throughout the country.

TEACHERS' RETIREMENT FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
GOVERNMENT OBLIGATIONS						
REPURCHASE AGREEMENTS						
Bank of America—San Francisco	\$ 961	5.450	07-12-76	\$ 961,000	\$ 961,000	5.450
Bank of America—San Francisco	970	5.600	07-19-76	970,000	970,000	5.600
TOTAL	<u>\$ 1,931</u>			<u>\$ 1,931,000</u>	<u>\$ 1,931,000</u>	
U.S. TREASURY						
U.S. Treasury Bonds	\$ 500	7.875	02-15-00	\$ 482,889	\$ 490,000	8.200
TOTAL	<u>\$ 500</u>			<u>\$ 482,889</u>	<u>\$ 490,000</u>	
FEDERAL AGENCIES						
Davern Park Apartments	\$ 100	5.150	04-01-05	\$ 101,581	\$ 64,875	5.036
Federal Housing Administration	14	4.125	12-29-84	14,150	10,700	4.125
Gateway Manor	100	5.000	02-01-04	100,000	63,750	5.000
International Bank for Reconstruction	500	8.125	08-01-96	500,000	470,000	8.125
Martin Luther Tower	153	5.150	05-01-06	142,518	98,876	5.732
Presbyterian Ministries	25	5.000	11-01-03	25,313	15,938	4.881
Rocky Mountain Methodist Homes	56	5.150	07-01-05	56,000	36,330	5.150
Two Buttes Water	125	8.750	03-12-10	125,064	129,844	8.750
Walnut Creek Manor	91	5.150	10-01-04	91,000	59,264	5.150
TOTAL	<u>\$ 1,164</u>			<u>\$ 1,155,626</u>	<u>\$ 949,577</u>	
U.S. GOVERNMENT GUARANTEED						
Gulf Reston Properties	\$ 491	7.950	12-20-93	\$ 490,625	\$ 451,106	7.950
Northwest Shipping	1,000	8.350	07-01-96	1,000,000	1,015,000	8.350
Texaco Star Tankers	1,000	9.250	07-03-99	1,000,000	1,048,750	9.250
TOTAL	<u>\$ 2,491</u>			<u>\$ 2,490,625</u>	<u>\$ 2,514,856</u>	
CANADIAN OBLIGATIONS						
Bell Tel—Canada	\$ 500	9.500	06-01-04	\$ 500,000	\$ 500,000	9.500
British Columbia Hydro & Power	500	9.625	06-01-05	498,795	510,000	9.650
Canadian National Railway	992	8.500	07-15-89	992,057	901,480	8.500
Canadian National Railway	500	9.000	07-01-91	500,000	470,625	9.000
Canadian Pacific Equipment	500	10.125	07-02-90	500,000	514,375	10.125
Manitoba Hydro Electric	500	9.375	12-01-04	482,225	496,250	9.763
Municipal Finance Authority of B.C.	1,000	8.875	05-01-01	1,000,000	947,500	8.875
New Brunswick Electric Power	500	9.375	05-01-01	500,000	487,500	9.375
Nova Scotia Power	500	10.500	09-15-00	500,000	527,500	10.500
Ontario Hydro	1,000	9.500	03-15-96	1,000,000	1,000,000	9.500
Quebec Hydro Electric	800	10.700	08-01-99	800,000	888,000	10.700
Quebec Hydro Electric	500	8.500	08-01-03	490,265	455,600	8.700

TEACHERS' RETIREMENT FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
CANADIAN OBLIGATIONS						
Quebec Hydro Electric	\$ 500	8.500	08-01-03	\$ 497,709	\$ 455,600	8.550
Quebec Hydro Electric	500	8.250	01-01-04	497,685	443,100	8.295
TOTAL	<u>\$ 8,792</u>			<u>\$ 8,758,736</u>	<u>\$ 8,597,530</u>	
CORPORATE OBLIGATIONS						
COMMERCIAL PAPER						
Georgia Pacific	\$ 2,000	0.000	07-09-76	\$ 1,997,275	\$ 1,997,275	5.450
TOTAL	<u>\$ 2,000</u>			<u>\$ 1,997,275</u>	<u>\$ 1,997,275</u>	
CONVERTIBLES						
Aluminum Co.—America	\$ 50	5.250	09-15-91	\$ 52,409	\$ 55,000	4.483
Ashland Oil	50	4.750	08-15-93	52,586	36,750	4.254
Carolina Tel.	63	5.750	01-15-88	57,714	51,660	7.035
Chase Manhattan	100	6.500	05-01-96	100,000	40,125	6.500
Citicorp	100	5.750	06-30-00	100,000	103,500	5.750
First Bank System	100	6.250	06-30-00	100,000	106,250	6.250
Georgia Pacific	100	6.250	05-15-00	100,000	115,500	6.250
Hercules	200	6.500	06-30-99	200,000	217,000	6.500
MGIC Investment	55	5.000	12-15-93	55,000	30,113	5.000
McGraw Hill	49	3.875	05-01-92	46,892	28,665	4.313
J. P. Morgan	150	4.750	11-01-98	150,000	138,750	4.750
National Cash Register	100	6.000	05-01-95	100,000	82,000	6.000
Pittson	200	4.000	07-01-97	200,000	107,000	4.000
West Point Pepperell	250	7.750	10-15-00	250,000	268,750	7.750
Witco Chemical	20	4.500	12-15-93	20,000	14,025	4.500
TOTAL	<u>\$ 1,587</u>			<u>\$ 1,584,601</u>	<u>\$ 1,395,088</u>	
FINANCIAL						
Associates Corp.—North America	\$ 300	7.375	12-01-88	\$ 298,540	\$ 261,390	7.444
Avco Financial Services	250	7.875	05-01-92	248,013	213,750	7.976
Avco Financial Services	500	7.625	12-01-97	500,000	407,500	7.625
Beneficial Finance	50	5.000	11-01-90	38,589	35,485	8.359
CIT Financial	150	6.375	10-01-86	140,429	127,875	7.419
CIT Financial	150	4.625	05-01-89	109,861	105,090	9.028
CNA Financial	250	8.500	12-15-95	249,025	202,800	8.549
Chrysler Financial	100	7.700	03-01-92	98,621	76,750	7.877
Clark Equipment Credit	300	7.850	12-15-91	300,000	270,000	7.850
Commercial Credit	600	4.375	04-01-81	548,400	509,280	7.061
Commercial Credit	500	7.750	02-15-92	496,094	434,850	7.851
Dominion Bankshares	200	7.750	11-15-96	200,000	176,260	7.750

TEACHERS' RETIREMENT FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE		COST	MARKET VALUE	YIELD
FINANCIAL							
First Security Corp	\$ 500	7.000	10-01-79	\$	500,000	\$ 478,750	7.000
Ford Motor Credit	500	7.250	05-01-79		501,423	492,500	7.124
Ford Motor Credit	500	7.250	05-01-79		499,406	492,500	7.302
General Motors Acceptance	180	4.625	06-15-86		138,771	137,286	8.994
Walter E. Heller	300	9.500	12-01-89		300,000	304,890	9.500
Industrial National	500	7.400	07-01-81		500,000	483,150	7.400
International Harvester Credit	200	8.625	08-01-91		200,000	182,380	8.625
International Harvester Credit	900	7.500	01-15-94		896,238	747,630	7.550
Northwest Bancorporation	500	7.750	03-15-03		500,000	435,650	7.750
Trailmobile Financial	500	7.875	03-15-93		496,865	443,150	7.950
Transamerica Financial	500	7.875	11-01-91		497,125	432,500	7.951
TOTAL	\$ 8,430			\$	8,257,400	\$ 7,451,416	
INDUSTRIAL							
Allied Chemical	\$ 125	6.600	08-01-93	\$	125,000	\$ 106,563	6.600
Allied Chemical	125	6.600	08-01-93		104,270	106,563	8.500
Allied Chemical	500	9.000	04-01-00		496,442	506,900	9.076
Anaconda	100	6.625	11-15-93		98,514	81,190	6.793
Anaconda	250	6.625	11-15-93		231,133	202,975	7.510
Armstrong Cork	250	8.000	05-15-96		250,000	239,075	8.000
Atlantic Richfield	300	8.625	04-01-00		300,000	295,530	8.625
Bendix	100	6.625	12-01-92		94,627	85,520	7.263
Berkshire Hathaway	500	8.000	03-01-93		500,000	467,500	8.000
Bethlehem Steel	500	8.450	03-01-05		500,000	492,500	8.450
Carnation	200	8.500	05-01-99		199,543	203,360	8.520
Caterpillar Tractor	300	5.300	04-01-92		268,176	237,210	6.524
Channelview Leasing	500	9.250	07-15-96		500,000	540,625	9.250
Channing House	92	5.000	05-01-04		94,117	58,535	4.851
Cities Service	525	6.625	08-01-99		459,973	430,605	8.043
Cities Service	250	6.625	08-01-99		232,550	205,050	7.330
Cities Service	500	9.750	10-01-00		497,573	525,000	9.800
Continental Oil	500	8.875	06-01-01		498,754	506,250	8.900
Dayton-Hudson	229	9.750	06-01-95		229,000	225,084	9.750
Dupont	500	8.500	05-01-06		500,000	503,350	8.500
Eaton, Yale & Towne	100	5.500	03-15-92		100,000	77,880	5.500
Food Maker	233	8.750	11-01-89		233,333	233,000	8.750
General Mills	200	8.875	10-15-95		200,000	200,460	8.875
Gulf Oil	50	6.625	06-15-93		50,000	42,650	6.625
Halliburton	500	9.250	04-01-00		497,623	522,500	9.301
Honeywell	100	5.600	03-01-92		100,000	78,750	5.600
Hooker Chemical	529	10.500	06-29-96		529,167	615,624	10.500
Ingersoll Rand	500	8.750	05-01-85		498,675	482,500	8.796

TEACHERS' RETIREMENT FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE		COST	MARKET VALUE	YIELD
INDUSTRIAL							
Inland Steel	\$ 500	9.500	09-01-00	\$	497,581	\$ 528,150	9.550
International Harvester	100	6.250	03-01-98		100,000	73,250	6.250
International Paper	500	8.850	12-15-00		500,000	507,500	8.850
Kennecott Copper	300	7.875	05-01-01		292,539	276,360	8.144
Marathon Oil	250	8.500	02-01-00		249,505	246,225	8.523
May Department Stores	400	9.000	11-15-89		400,000	389,520	9.000
NLT	500	8.800	05-01-85		500,000	496,250	8.800
National Cash Register	50	5.600	06-15-91		42,390	39,375	7.626
Outboard Marine	100	7.750	02-01-96		99,608	90,250	7.795
Owens Illinois	500	7.625	04-01-01		449,647	458,150	8.610
Packaging Corp.—America	105	4.375	10-01-87		105,000	72,062	4.375
J. C. Penney	250	9.000	06-15-99		250,000	254,375	9.000
Pet	50	8.000	03-01-91		50,000	47,315	8.000
Phillip Morris	100	6.625	10-15-93		98,562	85,380	6.954
Phillip Morris	250	8.875	06-01-04		248,545	250,000	8.930
Phillips Petroleum	200	7.625	03-15-01		199,173	182,000	7.668
Pillsbury	225	8.750	11-01-95		225,000	221,625	8.750
Pullman Transport Leasing	200	7.750	06-15-92		200,000	177,500	7.750
RCA	600	10.200	08-15-92		600,000	630,000	10.200
Research Properties	250	8.250	11-01-99		250,000	237,500	8.250
R. J. Reynolds Tobacco	50	7.875	09-01-94		49,909	47,690	7.898
J. Schlitz Brewing	650	7.200	01-15-96		626,943	570,115	7.603
Sears & Roebuck	250	8.625	10-01-95		249,028	253,775	8.674
Sears & Roebuck	500	8.000	04-01-06		498,757	485,000	8.020
Shell Oil	200	5.300	03-15-92		199,686	152,900	5.318
Shell Oil	150	5.300	03-15-92		122,201	114,675	7.756
Shell Oil	500	8.750	05-15-05		496,386	506,250	8.821
Standard Oil—California	333	7.500	01-01-99		333,335	302,614	7.500
Standard Oil—New Jersey	250	6.500	07-15-98		250,000	208,075	6.500
Standard Oil—Ohio	250	8.500	01-01-00		249,502	245,325	8.523
Stauffer Chemical	250	8.125	06-01-96		248,005	239,075	8.220
Sunbeam	100	5.500	08-15-92		86,358	77,630	7.273
Sybron	100	7.500	04-15-94		98,880	90,250	7.636
Sybron	150	7.500	04-15-94		139,937	135,375	8.356
Systems Building	661	8.000	07-01-97		661,229	635,386	8.000
Texaco	1,000	8.500	04-01-06		992,563	990,000	8.570
Textron	200	7.500	07-15-97		200,000	181,000	7.500
Union Oil—California	500	7.500	01-01-98		500,000	446,250	7.500
Union Oil—California	150	6.625	06-01-98		148,577	125,460	6.722
Union Oil—California	1,000	8.625	03-01-06		992,578	985,000	8.700
U.S. Industries	350	7.750	06-01-97		350,000	251,580	7.750
U.S. Shoe	150	7.125	02-15-94		149,073	126,945	7.200
U.S. Steel	200	7.750	03-01-01		200,000	186,520	7.750

TEACHERS' RETIREMENT FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
INDUSTRIAL						
Western Auto Supply	\$ 450	7.850	01-15-96	\$ 447,340	\$ 415,710	7.919
Western Auto Supply	300	7.850	01-15-96	253,604	277,140	9.700
Westinghouse Electric	100	8.625	09-01-95	99,808	94,750	8.649
White Motor	125	6.750	03-01-93	125,000	66,250	6.750
Youngstown Sheet & Tube	840	4.600	07-01-95	617,679	480,900	7.558
Youngstown Sheet & Tube	350	10.500	08-01-00	350,000	355,250	10.500
TOTAL	\$ 24,097			\$ 23,482,398	\$ 22,582,426	
TRANSPORTATION						
ACF Industries	\$ 33	5.625	04-15-81	\$ 33,000	\$ 30,690	5.625
ACF Industries	80	5.500	04-15-82	80,000	72,200	5.500
American Rail Box Car	461	9.125	11-01-90	461,080	488,660	9.125
Atchison, Topeka & Santa Fe	500	7.250	05-01-78	500,000	499,375	7.250
Atchison, Topeka & Santa Fe	250	7.125	02-15-82	241,806	247,500	7.978
Burlington Northern	154	8.125	09-01-81	153,826	158,620	8.125
Burlington Northern	695	7.750	07-15-86	695,149	707,163	7.750
Burlington Northern	240	9.625	10-01-87	240,000	276,300	9.625
Burlington Northern	250	8.500	05-01-96	250,000	236,250	8.500
California & Hawaiian Sugar	467	8.250	08-24-93	467,466	446,569	8.250
Clinchfield	100	5.500	01-15-81	100,315	92,375	5.397
Exxon Pipeline	500	8.050	10-15-80	500,000	506,050	8.050
Fruit Growers	100	4.600	05-01-80	82,000	91,125	12.234
Fruit Growers	50	4.650	07-15-80	50,000	45,438	4.650
Fruit Growers Express	117	7.000	04-15-83	116,667	114,806	7.000
Fruit Growers Express	364	9.250	05-15-89	364,000	399,945	9.250
Grand Trunk Western	185	9.250	09-15-85	185,167	204,888	9.250
GSCX	201	9.750	06-15-86	200,543	227,130	9.750
Illinois Central	25	5.250	08-01-80	23,633	20,658	7.042
Lakehead Pipeline	50	6.500	08-01-92	45,142	41,250	7.761
Lakehead Pipeline	100	7.125	04-15-93	89,703	86,630	8.443
Lakehead Pipeline	200	7.600	06-15-97	200,000	177,760	7.600
Louville & Nashville	100	7.000	03-01-84	100,000	95,125	7.000
Michigan Wisconsin Pipeline	100	8.000	04-15-91	98,147	90,880	8.260
Michigan Wisconsin Pipeline	200	7.625	12-15-91	198,418	177,500	7.725
Missouri Pacific	50	8.250	10-15-80	50,000	51,875	8.250
Norfolk & Western	150	8.875	10-01-84	150,000	161,625	8.875
Northern Pacific	98	5.500	03-01-82	98,000	90,160	5.500
Northern Pacific	129	6.625	02-01-84	129,358	121,905	6.625
Pennsylvania Central	374	10.000	11-15-85	373,960	218,323	10.000
Plantation Pipeline	383	4.500	02-01-94	300,412	237,939	6.875
Plantation Pipeline	250	7.000	02-01-99	250,000	207,188	7.000
St. Louis San Francisco	29	4.250	03-15-77	28,914	28,456	4.810

TEACHERS' RETIREMENT FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
TRANSPORTATION						
St. Louis San Francisco	\$ 29	4.250	03-15-78	\$ 28,588	\$ 27,659	4.774
St. Louis San Francisco	14	4.250	03-15-79	13,732	13,003	4.743
St. Louis San Francisco	49	4.250	03-01-80	47,881	44,345	4.717
St. Louis San Francisco	80	5.750	03-01-82	80,000	74,700	5.750
St. Louis San Francisco	90	9.500	02-01-85	90,000	100,688	9.500
St. Louis San Francisco	248	9.750	07-01-85	248,193	282,410	9.750
St. Louis Southwestern	400	7.125	02-01-78	400,652	400,500	7.000
Seaboard Coastline	144	6.375	12-15-82	143,773	135,756	6.375
Seaboard Coastline	195	10.500	03-01-85	194,545	230,344	10.500
Shell Pipeline	250	7.500	07-01-99	250,000	228,125	7.500
Spokane, Portland, & Seattle	132	9.625	03-01-85	132,131	147,345	9.625
Towson Equipment	228	8.500	01-01-85	227,834	234,840	8.500
Trailer Train	20	5.000	07-15-76	19,999	19,975	11.042
Trailer Train	280	7.125	12-01-82	272,195	274,750	7.770
Trailer Train	53	7.250	12-15-83	53,333	52,271	7.250
Trailer Train	167	10.500	07-15-85	166,667	193,511	10.500
Trailer Train	500	8.750	04-01-89	500,000	529,375	8.750
Transok Pipeline	500	9.000	11-01-80	500,000	510,000	9.000
Union Tank Car	46	9.300	11-15-89	46,000	46,290	9.300
Western Maryland	250	7.875	10-01-78	245,725	255,000	8.914
TOTAL	\$ 10,660			\$ 10,517,954	\$ 10,453,245	

PUBLIC UTILITIES

Alabama Power	\$ 500	10.500	12-01-05	\$ 500,000	\$ 522,500	10.500
American Tel. & Tel.	100	7.000	02-15-01	99,384	86,440	7.060
Brooklyn Union Gas	757	4.375	05-28-88	574,486	493,034	8.309
Carolina Power & Light	100	4.500	11-01-91	101,169	60,750	4.366
Central Illinois Light	500	9.250	05-01-06	496,263	496,900	9.330
Central Illinois Public Service	25	4.750	01-01-89	20,681	17,658	7.377
Central Illinois Public Service	100	5.875	05-01-97	91,473	72,380	6.754
Central Maine Power	200	7.700	07-01-97	200,000	161,260	7.700
Chesapeake & Potomac Tel-Maryland	100	5.875	06-01-04	100,858	73,380	5.799
Chesapeake & Potomac Tel-Virginia	225	5.250	05-01-05	226,833	148,793	5.185
Chesapeake & Potomac Tel-Virginia	120	5.625	03-01-07	121,104	83,256	5.549
Columbia Gas System	50	7.250	05-01-93	50,000	44,250	7.250
Commonwealth Edison	170	3.250	07-01-82	161,989	134,096	4.394
Consolidated Edison-New York	500	4.000	06-01-88	451,436	289,400	5.383
Consolidated Edison-New York	50	4.375	10-01-92	43,378	26,690	5.951
Consolidated Edison-New York	200	4.625	12-01-93	203,301	107,920	4.451
Consolidated Edison-New York	150	5.900	12-15-96	150,000	93,945	5.900
Consolidated Edison-New York	400	7.900	04-15-02	396,208	310,800	8.051

TEACHERS' RETIREMENT FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
PUBLIC UTILITIES						
Consolidated Edison-New York	\$ 250	7.900	04-15-02	\$ 247,630	\$ 194,250	8.011
Consolidated Edison-New York	250	7.900	04-15-02	250,000	194,250	7.900
Consumers Power	500	11.375	08-01-94	500,000	529,400	11.375
Dallas Power & Light	200	4.250	02-01-93	181,562	127,260	5.281
Dayton Power & Light	500	10.700	08-01-05	500,000	547,500	10.700
Delaware Power & Light	50	4.625	10-01-94	50,572	30,250	4.509
Detroit Edison	150	6.000	12-01-96	150,000	94,125	6.000
Diamond State Tel.	50	4.750	04-01-94	50,695	33,375	4.607
Duquesne Light	100	5.125	02-01-96	100,755	65,130	5.049
El Paso Electric	100	4.625	02-01-92	81,466	62,630	7.017
Equitable Gas	478	8.000	06-15-97	478,000	443,943	8.000
Florida Power & Light	100	4.375	12-01-86	99,420	71,750	7.450
Florida Power & Light	100	4.375	12-01-86	80,210	71,750	4.463
Florida Power & Light	100	4.500	08-01-92	101,194	63,500	4.368
General Tel-California	320	5.000	12-01-89	265,677	225,600	7.287
General Tel-California	100	4.625	12-01-91	89,599	64,800	5.910
General Tel-Florida	200	7.500	08-01-02	198,326	166,560	7.600
Georgia Power	100	4.625	10-01-94	100,943	57,750	4.530
Georgia Power	500	7.500	12-01-02	500,000	395,800	7.500
Gulf Power	100	4.625	10-01-94	101,225	62,630	4.501
Hartford Electric Light	50	4.250	04-01-93	49,790	27,625	4.295
Idaho Power	65	4.500	10-15-88	58,644	44,688	5.901
Illinois Bell Tel.	50	4.875	07-01-97	49,327	33,440	5.001
Illinois Bell Tel.	300	4.375	07-01-03	300,571	174,750	4.360
Illinois Power	50	5.850	10-01-96	43,057	36,940	7.602
Indiana Bell Tel.	300	4.375	06-01-03	303,005	171,390	4.294
Indiana Bell Tel.	50	4.750	10-01-05	50,000	30,190	4.607
Iowa Illinois Gas & Electric	500	8.750	04-01-06	498,760	485,650	8.770
Kansas Nebraska Natural Gas	144	8.450	08-01-91	144,000	137,707	8.450
Kentucky Power	650	5.125	01-01-96	517,923	410,345	7.525
Lone Star Gas	100	7.250	12-15-93	100,000	84,500	7.250
Lone Star Gas	500	7.500	12-01-96	498,983	430,000	7.522
Long Island Lighting	500	4.550	06-01-95	500,000	307,500	4.550
Michigan Consolidated Gas	150	6.500	06-01-92	127,971	119,250	8.600
Michigan Consolidated Gas	300	7.625	07-01-97	300,000	260,250	7.625
Monongahelia Power	250	8.875	05-01-01	253,850	240,625	8.699
Montana Power	98	4.500	04-01-89	99,091	67,620	4.370
Montana Power	600	7.500	04-01-01	601,743	508,620	7.466
Montana Power	500	8.625	03-01-04	501,234	490,000	8.600
Mountain States Tel. & Tel.	250	4.375	02-01-88	238,537	180,625	4.985
Mountain States Tel. & Tel.	200	9.000	11-01-10	200,000	230,000	9.000
Mountain States Tel. & Tel.	500	7.750	06-01-13	500,000	457,500	7.750

TEACHERS' RETIREMENT FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
PUBLIC UTILITIES						
National Rural Utilities	\$ 500	7.400	12-01-07	\$ 498,315	\$ 416,650	7.430
New England Power	200	4.500	11-01-93	201,340	120,000	4.439
New England Tel. & Tel.	150	4.000	04-01-93	132,826	90,195	5.280
New England Tel. & Tel.	100	4.625	04-01-99	73,834	61,250	7.476
New England Tel. & Tel.	75	4.500	07-01-02	63,777	43,973	5.856
New York State Electric & Gas	200	6.250	09-01-97	190,205	148,000	6.751
New York Tel.	50	4.500	05-15-91	46,425	33,875	5.377
New York Tel.	100	4.625	10-01-97	103,272	63,250	4.327
New York Tel.	200	4.625	01-01-02	203,871	121,760	4.470
New York Tel.	100	4.875	01-01-06	100,740	60,130	4.818
Northern Illinois Gas	50	4.500	08-01-89	50,000	34,125	4.500
Northern Indiana Public Service	50	4.500	04-15-93	50,600	32,000	4.368
Northern Natural Gas	450	4.500	11-01-84	451,451	352,125	4.440
Northern States Power	250	4.375	09-01-93	249,821	155,325	4.382
Ohio Bell Tel.	150	5.000	02-01-06	151,109	95,250	4.942
Pacific Gas & Electric	20	4.500	12-01-86	18,720	14,626	5.511
Pacific Gas & Electric	100	5.000	06-01-91	78,223	68,750	8.089
Pacific Gas & Electric	300	4.500	06-01-96	302,595	179,760	4.418
Pacific Gas & Electric	100	4.500	12-01-96	100,000	59,630	4.500
Pacific Gas & Electric	100	5.375	06-01-98	100,262	66,880	5.350
Pacific Gas & Electric	150	5.750	12-01-98	149,256	105,750	5.798
Pacific Gas & Electric	100	6.750	12-01-00	94,752	78,500	7.302
Pacific Lighting Service	300	7.625	12-01-91	300,000	266,640	7.625
Pacific Northwest Bell Tel.	250	4.500	12-01-00	251,687	150,325	4.430
Pacific Northwest Bell Tel.	50	4.500	04-01-03	42,907	29,500	5.748
Pacific Tel. & Tel.	400	4.625	04-01-99	406,651	248,520	4.479
Pacific Tel. & Tel.	200	4.625	05-01-00	191,955	123,000	4.983
Pacific Tel. & Tel.	20	6.000	11-01-02	16,248	14,496	8.049
Pennsylvania Electric	100	4.625	10-01-94	101,145	58,000	4.509
Pennsylvania Power & Light	500	7.500	01-01-03	498,341	426,950	7.531
Philadelphia Electric	100	5.750	06-15-77	100,000	97,250	5.750
Philadelphia Electric	25	4.500	03-01-95	23,426	13,470	5.151
Potomac Electric Power	50	4.625	12-01-93	51,063	30,875	4.406
Potomac Electric Power	100	4.500	05-15-99	100,000	56,750	4.500
Public Service-Colorado	50	4.500	10-01-91	50,582	32,625	4.366
Public Service-Indiana	75	3.125	11-01-77	74,058	70,875	4.382
Public Service-New Hampshire	300	7.625	06-15-02	300,000	241,500	7.625
Public Service Electric & Gas	50	4.375	11-01-86	48,381	36,375	4.880
Public Service Electric & Gas	10	4.625	08-01-88	9,622	7,088	5.088
Public Service Electric & Gas	300	4.625	09-01-94	302,826	189,390	4.529
Public Service Electric & Gas	50	4.750	09-01-95	50,281	31,690	4.694
Public Service Electric & Gas	295	7.750	08-15-96	295,000	259,246	7.750

TEACHERS' RETIREMENT FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
PUBLIC UTILITIES						
Public Service Electric & Gas	\$ 400	7.500	04-01-02	\$ 400,000	\$ 341,920	7.500
Puget Sound Power & Light	50	4.625	11-01-93	50,116	28,750	4.600
Rochester Gas & Electric	100	4.500	11-15-91	101,163	61,750	4.367
San Diego Gas & Electric	50	4.500	09-01-94	50,000	28,815	4.500
San Diego Gas & Electric	50	4.500	09-01-94	36,575	28,815	7.400
Southeastern Tel.	500	7.650	02-01-97	500,000	435,650	7.650
Southern Bell Tel. & Tel.	100	4.000	10-01-83	98,036	79,880	4.408
Southern Bell Tel. & Tel.	25	4.375	03-01-98	21,507	15,220	5.756
Southern Bell Tel. & Tel.	165	4.750	09-01-00	166,370	103,686	4.679
Southern California Edison	100	4.875	09-01-82	86,200	85,250	8.571
Southern California Edison	200	4.375	03-01-89	198,992	137,000	4.432
Southern California Edison	150	4.500	02-15-90	150,201	101,445	4.482
Southern California Edison	500	4.500	02-15-90	394,616	338,150	7.190
Southern California Edison	150	5.250	05-15-91	148,956	108,195	5.335
Southern New England Tel.	250	8.125	05-01-08	246,770	223,575	8.255
Southern Union Gas	50	4.625	05-15-84	49,901	39,750	8.125
Southwestern Bell Tel.	500	4.625	08-01-95	477,552	326,250	5.055
Southwestern Public Service	100	4.625	02-01-95	100,475	62,750	4.579
Tenneco	488	8.250	10-01-91	489,864	446,569	8.198
Tucson Gas & Electric	250	4.550	02-01-95	250,000	154,375	4.550
Union Electric	100	4.375	03-01-88	100,121	68,000	4.358
Union Electric	300	4.500	11-01-93	301,399	181,890	4.450
United Tel-Indiana	235	9.125	04-01-00	235,000	243,813	9.125
United Tel-Missouri	485	7.875	06-01-03	485,000	441,350	7.875
United Tel-Northwest	500	10.750	09-01-99	500,000	598,750	10.750
United Tel-Ohio	188	7.600	08-01-02	188,000	161,454	7.600
United Tel-Pennsylvania	235	9.750	06-01-00	235,000	258,500	9.750
Utah Power & Light	600	7.500	05-01-02	600,000	506,280	7.500
Utah Power & Light	500	10.250	11-01-05	502,450	535,600	10.190
Virginia Electric & Power	150	4.500	05-01-95	149,409	91,125	4.538
Washington Water Power	400	4.625	09-01-94	400,000	247,000	4.625
West Penn Power	100	4.500	03-01-92	101,180	64,000	4.367
Western Electric	450	7.500	06-15-96	450,000	417,195	7.500
Wisconsin Michigan Power	200	5.875	08-01-96	176,598	143,500	7.101
Wisconsin Natural Gas	100	4.875	10-01-90	100,358	67,250	4.831
Wisconsin Natural Gas	150	4.875	10-01-90	118,617	100,875	7.775
Wisconsin Natural Gas	100	8.750	09-15-94	101,117	96,250	8.599
Wisconsin Public Service	200	4.375	10-01-93	200,000	124,000	4.375
Wisconsin Public Service	100	4.500	06-01-94	100,225	62,500	4.476
Wisconsin Tel.	25	4.875	05-01-95	22,738	16,875	5.849
TOTAL	\$ 30,618			\$ 29,762,396	\$ 24,015,291	

TEACHERS' RETIREMENT FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
COMMON STOCK HOLDINGS	<u>\$ 6,680</u>			<u>\$ 6,680,056</u>	<u>\$ 8,497,518</u>	
MORTGAGES	<u>\$ 21,432</u>			<u>\$ 21,432,474</u>	<u>\$ 21,432,474</u>	
BUILDING & LAND	<u>\$ 170</u>			<u>\$ 170,087</u>	<u>\$ 170,087</u>	
TOTAL INVESTMENTS	<u><u>\$ 120,552</u></u>			<u><u>\$ 118,703,517</u></u>	<u><u>\$ 112,477,783</u></u>	

TRUST & LEGACY FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
GOVERNMENT OBLIGATIONS						
REPURCHASE AGREEMENTS						
Bank of America-San Francisco	\$ 954	5.450	07-12-76	\$ 954,000	\$ 954,000	5.450
TOTAL	<u>\$ 954</u>			<u>\$ 954,000</u>	<u>\$ 954,000</u>	
U.S. TREASURY						
U.S. Treasury Notes	\$ 300	7.750	08-15-77	\$ 300,000	\$ 303,750	7.750
U.S. Treasury Notes	330	6.250	02-15-78	329,544	326,700	6.356
U.S. Treasury Notes	658	6.250	02-15-78	657,242	651,420	6.338
U.S. Treasury Notes	50	6.250	02-15-78	49,994	49,500	6.258
U.S. Treasury Bonds	470	4.000	02-15-80	472,220	422,389	3.811
U.S. Treasury Bonds	500	7.875	02-15-00	482,889	490,000	8.200
TOTAL	<u>\$ 2,308</u>			<u>\$ 2,291,889</u>	<u>\$ 2,243,759</u>	
FEDERAL AGENCIES						
Farmers Home Administration	\$ 500	6.400	03-31-81	\$ 492,882	\$ 466,250	6.818
Federal Land Banks	160	5.125	04-20-78	160,059	153,600	5.097
Federal Land Banks	90	5.125	04-20-78	89,973	86,400	5.147
Federal Land Banks	130	5.125	04-20-78	129,034	124,800	5.665
Federal Land Banks	180	5.125	04-20-78	178,042	172,800	5.920
Federal Land Banks	215	5.125	04-20-78	211,938	206,400	6.175
Federal Land Banks	190	5.125	04-20-78	185,764	182,400	6.789
Federal Land Banks	80	5.125	04-20-78	76,793	76,800	8.178
Federal Land Banks	200	5.000	01-22-79	199,624	189,500	5.098
Federal Land Banks	125	5.000	01-22-79	124,713	118,438	5.795
Federal Land Banks	145	5.000	01-22-79	144,100	137,388	5.327
Federal Land Banks	110	5.000	01-22-79	109,384	104,225	5.300
Federal Land Banks	155	5.000	01-22-79	153,751	146,863	5.426
Federal Land Banks	120	5.000	01-22-79	118,944	113,700	5.467
Federal Land Banks	63	5.000	01-22-79	62,258	59,693	5.625
Federal Land Banks	96	5.000	01-22-79	94,315	90,960	5.949
Federal Land Banks	470	5.000	01-22-79	461,957	445,325	5.919
Federal Land Banks	175	5.000	01-22-79	171,221	165,813	6.160
Federal Land Banks	130	5.000	01-22-79	127,535	123,175	6.010
Federal Land Banks	235	5.000	01-22-79	227,665	222,663	6.679
Federal Land Banks	235	5.000	01-22-79	228,232	222,663	6.536
Federal Land Banks	100	5.000	01-22-79	94,200	94,750	8.250
Federal Land Banks	115	5.000	01-22-79	109,411	108,963	7.639
Federal Land Banks	120	5.000	01-22-79	113,734	113,700	7.809
Federal Land Banks	150	5.000	01-22-79	145,562	142,125	6.507
Federal Land Banks	125	5.000	01-22-79	122,971	118,438	5.119
Federal Land Banks	50	6.700	04-20-81	50,252	48,185	6.625

TRUST & LEGACY FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
FEDERAL AGENCIES						
Federal Land Banks	\$ 140	6.700	04-20-81	\$ 139,277	\$ 134,918	6.849
Federal Land Banks	120	6.700	04-20-81	120,000	115,644	6.700
Federal Land Banks	500	6.900	04-20-82	500,000	480,000	6.900
G.N.M.A.	500	7.150	05-26-97	492,484	442,500	7.300
G.N.M.A.	420	6.500	02-15-02	405,782	363,300	6.813
G.N.M.A. Participation Cert. (F.N.M.A.)	400	6.400	12-11-87	382,219	348,000	7.040
G.N.M.A. Passthrough	831	6.500	06-15-03	732,703	718,815	7.606
G.N.M.A. Passthrough	837	8.000	12-15-03	804,461	805,613	8.440
Johnathan Development	500	7.200	06-01-92	500,000	458,000	7.200
TOTAL	\$ 8,712			\$ 8,461,240	\$ 8,102,807	
U.S. GOVERNMENT GUARANTEED						
American Export Lighting MM	\$ 3,753	7.300	01-01-94	\$ 3,753,000	\$ 3,476,216	7.300
American Export MM	2,068	7.300	07-01-97	2,068,000	1,881,880	7.300
American Export Staghound MM	3,764	7.300	01-01-94	3,764,000	3,486,405	7.300
American President Lines MM	700	7.625	05-01-96	703,608	660,800	7.567
Boston Tankers MM	544	8.200	04-01-96	544,000	543,891	8.200
Falcon Tankers MM	500	7.300	02-01-92	500,000	462,800	7.300
Litton Hull 102 System MM	481	7.375	12-12-98	480,594	440,716	7.375
Lykes Bros. Steamship MM	200	7.200	06-15-90	200,000	184,320	7.200
Lykes Bros. Steamship MM	729	8.300	09-15-91	758,956	722,658	7.748
Marine Ship Leasing	548	7.875	09-12-95	548,148	530,875	7.875
Marine Vessel Leasing	452	7.875	10-14-95	451,852	437,875	7.875
Moore McCormick Lines MM	135	5.750	04-01-87	122,116	113,400	7.241
Northwest Shipping	500	8.350	07-01-96	500,000	507,500	8.350
Overseas Bulk tank MM	1,390	7.375	12-27-93	1,390,285	1,284,013	7.350
Sun Shipbuilding MM	757	7.900	01-01-94	757,000	736,183	7.900
U.S. Govt. Delta Norte MM	200	7.200	03-01-98	199,582	179,750	7.220
U.S. Govt. Delta Sud MM	300	7.200	03-01-98	300,000	269,625	7.200
TOTAL	\$ 17,021			\$ 17,041,141	\$ 15,918,907	
CANADIAN OBLIGATIONS						
British Columbia Hydro & Power	\$ 300	5.625	07-02-91	\$ 239,821	\$ 217,500	8.150
British Columbia Hydro & Power	500	9.625	06-01-05	498,795	510,000	9.650
Manitoba Hydro Electric	500	9.250	06-15-04	470,590	492,500	9.880
New Brunswick Electric Power	500	10.500	10-01-95	496,390	527,500	10.550
Ontario Hydro	1,000	9.500	03-15-96	1,000,000	1,000,000	9.500
TOTAL	\$ 2,800			\$ 2,705,596	\$ 2,747,500	
CORPORATE OBLIGATIONS						
BANKERS' ACCEPTANCES						
Chemical Bank-New York	\$ 265	0.000	07-06-76	\$ 262,876	\$ 262,876	5.125
TOTAL	\$ 265			\$ 262,876	\$ 262,876	

TRUST & LEGACY FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
FINANCIAL						
General Electric Credit	\$ 1,000	4.650	05-15-86	\$ 792,797	\$ 732,500	8.000
Household Finance	500	10.500	09-15-94	500,000	542,500	10.500
TOTAL	<u>\$ 1,500</u>			<u>\$ 1,292,797</u>	<u>\$ 1,275,000</u>	
INDUSTRIAL						
Aluminum Co.-America	\$ 2,279	4.375	03-31-88	\$ 1,764,991	\$ 1,555,418	9.500
Aluminum Co.-America	1,000	7.450	11-15-96	876,317	899,000	8.827
American Can	500	7.750	03-15-01	443,829	461,900	8.931
Carnation	836	4.500	02-01-90	664,449	574,750	7.900
Carnation	435	5.000	04-01-91	354,675	311,025	7.900
Continental Oil	780	5.875	12-01-89	663,044	612,300	7.753
FMC	400	9.500	01-15-00	396,225	416,000	9.605
Goodyear Tire & Rubber	1,000	7.350	09-15-97	865,839	883,200	8.821
Hercules	500	8.750	04-01-83	500,000	506,250	8.750
International Paper	500	8.850	12-15-00	500,000	507,500	8.850
Kerr McGee	250	8.500	06-01-06	248,127	248,775	8.570
Merck & Co.	500	7.875	06-15-85	500,000	499,350	7.875
Owens Illinois	850	5.000	02-01-91	693,338	589,688	8.000
Owens Illinois	1,000	7.625	04-01-01	879,582	916,300	8.885
Phillip Morris	500	8.875	08-15-85	500,000	525,650	8.875
Phillips Morris	1,358	4.900	11-01-89	1,097,734	950,600	8.250
Phillip Morris	250	8.875	06-01-04	235,496	250,000	9.500
Phillips Petroleum	1,536	5.375	07-01-91	1,290,750	1,123,200	8.000
Phillips Petroleum	300	5.375	07-01-91	249,195	219,375	8.250
Reproco	900	7.000	01-01-95	786,935	767,250	8.850
Scott Paper	500	8.750	01-15-00	500,000	503,150	8.750
G. D. Searle & Co.	300	8.000	06-15-81	299,380	303,750	8.053
Shell Oil Co.	767	4.500	04-15-90	610,312	525,395	7.750
Shell Oil Co.	600	5.000	03-15-91	492,685	429,750	7.750
Shell Oil Co.	720	5.000	03-15-91	545,306	519,281	7.915
Sherwin Williams	500	9.450	12-01-99	500,000	510,650	9.450
Squibb	200	8.000	06-15-85	200,000	200,000	8.000
Stafac	125	4.500	09-01-88	95,747	88,281	7.639
Stafac	142	4.625	04-01-89	108,293	100,465	7.755
Stafac	200	4.625	03-01-90	150,060	139,250	7.802
Standard Oil-Indiana	500	9.200	07-15-04	500,000	522,500	9.200
Statewide Stations	939	5.375	03-15-96	767,095	667,864	7.270
Stauffer Chemical	500	8.125	06-01-96	461,522	478,150	9.000
Texaco	825	4.500	12-15-89	647,470	568,219	7.750
Texaco	1,000	4.500	12-15-89	738,074	688,750	8.250
Texaco	500	7.750	06-01-01	452,894	463,800	8.703

TRUST & LEGACY FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
INDUSTRIAL						
Triangle Facilities	\$ 454	4.750	12-01-87	\$ 380,344	\$ 328,583	6.846
Union Oil-California	1,000	8.625	03-01-06	992,578	985,000	8.700
U.S. Gypsum	1,000	7.875	01-01-04	923,426	948,800	8.630
Xerox	365	5.375	04-01-91	306,125	280,138	8.200
TOTAL	<u>\$ 26,811</u>			<u>\$ 23,181,837</u>	<u>\$ 22,069,307</u>	
TRANSPORTATION						
Colonial Pipeline	\$ 1,592	4.736	06-01-90	\$ 1,298,773	\$ 1,118,380	6.995
Continental Pipeline	440	7.500	05-01-94	414,844	396,000	8.400
Trailer Train	500	8.750	04-01-89	500,000	529,375	8.750
TOTAL	<u>\$ 2,532</u>			<u>\$ 2,213,617</u>	<u>\$ 2,043,755</u>	
PUBLIC UTILITIES						
American Tel. & Tel.	\$ 2,500	4.750	11-01-92	\$ 1,923,885	\$ 1,731,000	7.418
American Tel. & Tel.	150	4.750	11-01-92	115,328	103,860	7.428
American Tel. & Tel.	1,000	5.125	04-01-01	666,578	680,100	8.481
Cincinnati Gas & Electric	500	5.875	07-01-97	365,566	361,900	8.774
Duke Power	500	8.125	11-01-03	399,410	458,750	10.500
Florida Power	800	9.000	11-01-00	751,094	786,000	9.670
Gulf States Utilities	750	6.625	02-01-98	559,837	593,475	9.600
Hartford Electric	300	5.625	04-01-97	241,585	192,390	7.650
Hawaiian Tel.	500	8.500	04-01-06	495,036	476,250	8.593
Houston Lighting & Power	1,000	5.250	04-01-96	791,603	682,500	7.450
Houston Lighting & Power	1,000	8.125	02-01-04	904,271	936,300	9.110
Illinois Bell Tel.	1,000	6.000	07-01-98	756,140	765,100	8.572
Indiana Bell Tel.	300	5.500	04-01-07	192,301	203,640	9.200
Monongahela Power	200	5.500	03-01-96	151,238	135,260	8.200
Mountain States Tel. & Tel.	1,000	5.000	04-01-00	649,415	653,800	8.646
New York States Electric & Gas	200	5.625	01-01-97	159,697	137,500	7.750
Northern States Power	500	9.500	05-01-05	497,591	520,000	9.549
Oklahoma Gas & Electric	750	4.500	03-01-95	470,344	470,550	8.649
Pacific Gas & Electric	400	5.000	06-01-89	324,359	286,000	7.500
Pacific Gas & Electric	1,000	4.375	06-01-94	722,268	606,300	7.450
Pacific Gas & Electric	300	5.750	12-01-98	245,151	211,500	7.580
Pacific Tel. & Tel.	1,000	6.000	11-01-02	766,108	724,800	8.282
Southern California Edison	635	5.250	05-15-91	518,625	458,026	7.500
Southern Counties Gas	300	4.750	08-01-90	230,405	206,250	7.700
TOTAL	<u>\$ 16,585</u>			<u>\$ 12,897,835</u>	<u>\$ 12,381,251</u>	
TOTAL INVESTMENTS	<u><u>\$ 79,488</u></u>			<u><u>\$ 71,302,828</u></u>	<u><u>\$ 67,999,162</u></u>	

WORKERS' COMPENSATION FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
MONTANA OBLIGATIONS						
U.C.C. Bonds	\$ 55	5.000	08-01-77	\$ 55,000	\$ 55,000	5.000
TOTAL	<u>\$ 55</u>			<u>\$ 55,000</u>	<u>\$ 55,000</u>	
GOVERNMENT OBLIGATIONS REPURCHASE AGREEMENTS						
Seattle First National Bank - Seattle	\$ 500	5.250	07-01-76	\$ 500,000	\$ 500,000	5.250
TOTAL	<u>\$ 500</u>			<u>\$ 500,000</u>	<u>\$ 500,000</u>	
U.S. TREASURY						
U.S. Treasury Notes	\$ 70	7.750	08-15-77	\$ 69,972	\$ 70,875	7.797
U.S. Treasury Notes	1,600	6.250	08-15-79	1,600,000	1,556,000	6.250
U.S. Treasury Bonds	350	4.000	02-15-80	349,398	314,545	4.071
U.S. Treasury Bonds	25	3.500	11-15-80	25,000	21,625	3.500
U.S. Treasury Bonds	65	3.500	02-15-90	65,000	53,053	3.500
U.S. Treasury Bonds	500	7.875	02-15-00	482,889	490,000	8.200
TOTAL	<u>\$ 2,610</u>			<u>\$ 2,592,259</u>	<u>\$ 2,506,098</u>	
FEDERAL AGENCIES						
International Bank for Reconstruction	\$ 400	8.125	08-01-96	\$ 400,000	\$ 376,000	8.125
TOTAL	<u>\$ 400</u>			<u>\$ 400,000</u>	<u>\$ 376,000</u>	
U.S. GOVERNMENT GUARANTEED						
Northwest Shipping	\$ 500	8.350	07-01-96	\$ 500,000	\$ 507,500	8.350
TOTAL	<u>\$ 500</u>			<u>\$ 500,000</u>	<u>\$ 507,500</u>	
CANADIAN OBLIGATIONS						
British Columbia Hydro & Power	\$ 500	9.625	06-01-05	\$ 498,795	\$ 510,000	9.650
Manitoba Hydro Electric	500	9.500	10-01-85	500,000	520,000	9.500
Manitoba Hydro Electric	500	8.000	10-15-03	495,446	437,500	8.089
Manitoba Hydro Electric	500	9.375	12-01-04	496,447	493,750	9.450
Manitoba Hydro Electric	500	9.250	01-15-06	500,000	492,500	9.250
Municipal Finance Authority of B.C.	500	8.875	05-01-01	500,000	473,750	8.875
New Brunswick Electric Power	300	9.375	05-01-01	300,000	292,500	9.375
Quebec Hydro Electric	400	8.500	08-01-03	398,193	364,480	8.550
Quebec Hydro Electric	200	8.250	01-01-04	199,083	177,240	8.300
Quebec Hydro Electric	600	10.250	01-15-05	600,000	636,000	10.250
TOTAL	<u>\$ 4,500</u>			<u>\$ 4,487,964</u>	<u>\$ 4,397,720</u>	

WORKERS' COMPENSATION FUND

CORPORATE OBLIGATIONS	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
FINANCIAL						
Chemical New York	\$ 200	6.625	04-15-80	\$ 199,435	\$ 192,000	6.722
Commercial Credit	600	7.750	02-15-92	595,223	521,820	7.851
First Bank System	500	6.750	09-15-79	500,000	479,400	6.750
First Chicago	500	6.750	11-01-80	497,969	479,400	6.870
First National Boston	500	6.750	07-15-80	499,197	480,650	6.830
General Motors Acceptance	500	7.850	11-01-98	500,000	465,300	7.850
Honeywell Finance	500	8.200	12-15-98	500,000	452,850	8.200
Industrial National	600	7.400	07-01-81	600,000	579,780	7.400
Manufacturers Hanover	500	7.600	09-01-81	500,000	491,250	7.600
Security Pacific	500	7.700	02-15-82	500,000	490,650	7.700
United States National Bank-Oregon	400	7.750	01-15-02	400,000	345,000	7.750
TOTAL	<u>\$ 5,300</u>			<u>\$ 5,291,824</u>	<u>\$ 4,978,100</u>	
INDUSTRIAL						
Carnation	\$ 500	8.500	05-01-99	\$ 498,857	\$ 508,400	8.520
Cities Service	500	9.750	10-01-00	497,573	525,000	9.800
Continental Oil	500	8.875	06-01-01	498,754	506,250	8.900
Dow Chemical	500	8.500	01-15-06	500,000	499,100	8.500
Goodyear Tire & Rubber	400	7.350	09-15-97	400,000	353,280	7.350
Hercules	500	8.750	04-01-83	500,000	506,250	8.750
Inland Steel	500	9.500	09-01-00	497,581	528,150	9.550
Kerr McGee	500	8.500	06-01-06	496,255	497,550	8.570
Kraftco	400	8.375	04-15-04	397,219	401,320	8.440
3M Co.	500	8.200	04-01-85	500,000	506,250	8.200
Mountain Fuel Supply	500	8.750	04-15-99	500,000	500,000	8.750
Pepsico	500	8.625	05-15-81	499,125	510,000	8.670
Pfizer	500	8.875	08-15-85	500,000	525,650	8.875
RCA	500	10.200	08-15-92	500,000	525,000	10.200
G.D. Searle & Co.	300	7.500	12-01-80	300,666	298,500	7.430
Sears & Roebuck	500	8.000	04-01-06	498,757	485,000	8.020
Shell Oil	600	7.250	02-15-02	600,000	539,280	7.250
Sherwin Williams	500	9.450	12-01-99	500,000	510,650	9.450
Standard Oil-California	600	8.750	07-01-05	594,915	607,500	8.833
Standard Oil-Indiana	300	6.000	09-15-91	291,231	247,710	6.368
Systems Building	472	8.000	07-01-97	472,306	438,370	8.000
Texaco	700	8.500	04-01-06	694,794	693,000	8.570
Union Oil-California	800	8.625	03-01-06	794,062	788,000	8.700
Westvaco	500	9.750	04-01-00	500,000	523,750	9.750
TOTAL	<u>\$ 12,072</u>			<u>\$ 12,032,095</u>	<u>\$ 12,023,960</u>	

WORKERS' COMPENSATION FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
TRANSPORTATION						
Arco Pipeline	\$ 500	8.375	07.15-83	\$ 497,793	\$ 508,750	8.466
Burlington Northern	200	8.600	01-15-99	200,000	188,000	8.600
Mobil Alaska Pipeline	500	8.450	03-01-05	500,000	455,000	8.450
Union Pacific	500	9.000	03-01-90	500,000	517,000	9.000
TOTAL	\$ 1,700			\$ 1,697,793	\$ 1,668,750	
PUBLIC UTILITIES						
Alabama Power	\$ 500	10.500	12-01-05	\$ 500,000	\$ 522,500	10.500
American Tel. & Tel.	300	7.750	12-01-77	300,078	301,560	7.670
American Tel. & Tel.	300	4.375	04-01-85	265,579	234,540	6.551
American Tel. & Tel.	1,800	4.625	02-01-94	1,438,530	1,212,480	6.801
American Tel. & Tel.	850	4.750	06-01-98	670,297	558,195	6.815
American Tel. & Tel.	300	7.000	02-15-01	298,154	259,320	7.060
American Tel. & Tel.	500	7.125	12-01-03	498,893	436,800	7.150
American Tel. & Tel.	500	8.800	05-15-05	500,000	513,750	8.800
Carolina Tel. & Tel.	220	8.100	11-01-03	220,000	202,950	8.100
Central Illinois Light	500	9.250	05-01-06	496,263	496,900	9.330
Central Tel.	276	8.000	07-01-94	276,449	247,379	7.979
Consolidated Natural Gas	500	9.250	07-01-95	500,000	509,400	9.250
Florida Power & Light	500	8.500	01-01-04	502,990	472,250	8.444
General Tel.-Southwest	500	9.875	12-01-05	496,497	523,150	9.950
Kansas Nebraska Natural Gas	288	8.450	08-01-91	288,000	275,414	8.450
Kentucky Power	300	7.875	09-01-02	300,000	258,390	7.875
Michigan Bell Tel.	400	4.625	08-01-96	314,007	250,000	6.801
Minnesota Gas	600	7.875	12-01-96	600,000	534,780	7.875
Montana Dakota Utilities	400	7.625	10-15-92	389,077	354,000	7.950
Mountain States Tel. & Tel.	500	8.700	09-01-81	500,000	516,400	8.700
New England Tel.	300	6.375	09-01-08	300,873	227,010	6.349
New York Tel.	450	7.500	03-01-09	455,888	397,710	7.374
Northern Indiana Public Service	150	6.375	09-01-97	116,269	117,375	8.850
Northern Indiana Public Service	500	10.400	09-01-04	500,000	550,000	10.400
Northern Natural Gas	600	7.375	05-01-92	600,000	525,000	7.375
Ohio Bell Tel.	350	6.750	07-01-08	351,161	283,500	6.719
Ohio Edison	200	9.250	05-01-00	200,710	194,500	9.205
Pacific Tel. & Tel.	350	6.000	11-01-02	351,893	253,680	5.949
Pacific Tel. & Tel.	200	6.000	11-01-02	146,673	144,960	8.700
Pacific Tel. & Tel.	150	7.800	03-01-07	150,000	133,750	7.800
Southern Natural Gas	50	6.875	04-01-79	47,831	48,440	8.750
Southern New England Tel.	306	7.750	06-01-04	308,957	272,340	7.524

WORKERS' COMPENSATION FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
PUBLIC UTILITIES						
Southwestern Bell Tel.	\$ 450	8.250	09-01-05	\$ 454,649	\$ 431,865	8.139
Southwestern Bell Tel.	100	8.750	08-01-07	100,421	99,460	8.638
TOTAL	<u>\$ 14,190</u>			<u>\$ 13,440,139</u>	<u>\$ 12,359,748</u>	
MORTGAGES	<u>\$ 564</u>			<u>\$ 563,785</u>	<u>\$ 563,785</u>	
TOTAL INVESTMENTS	<u><u>\$ 42,391</u></u>			<u><u>\$ 41,560,859</u></u>	<u><u>\$ 39,936,661</u></u>	

OCCUPATIONAL DISEASE FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
CORPORATE OBLIGATIONS						
PUBLIC UTILITIES						
Public Service Electric & Gas	\$ 9	7.750	08-15-96	\$ 9,000	\$ 7,909	7.750
TOTAL	<u>\$ 9</u>			<u>\$ 9,000</u>	<u>\$ 7,909</u>	
SHORT TERM INVESTMENT POOL	<u>\$ 55</u>			<u>\$ 55,213</u>	<u>\$ 55,213</u>	
TOTAL INVESTMENTS	<u><u>\$ 64</u></u>			<u><u>\$ 64,213</u></u>	<u><u>\$ 63,122</u></u>	

SUBSEQUENT INJURY FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
GOVERNMENT OBLIGATIONS						
U.S. TREASURY						
U.S. Treasury Notes	\$ 27	6.250	08-15-79	\$ 27,000	\$ 26,258	6.250
U.S. Treasury Notes	8	6.250	08-15-79	8,030	7,780	6.100
TOTAL	<u>\$ 35</u>			<u>\$ 35,030</u>	<u>\$ 34,038</u>	
CORPORATE OBLIGATIONS						
FINANCIAL						
General Electric Credit	\$ 100	8.250	02-15-86	\$ 99,518	\$ 99,750	8.320
Sears & Roebuck Acceptance	375	8.375	12-31-86	374,339	377,813	8.400
TOTAL	<u>\$ 475</u>			<u>\$ 473,857</u>	<u>\$ 477,563</u>	
INDUSTRIAL						
American Brands	\$ 150	8.125	03-01-85	\$ 146,463	\$ 150,938	8.520
Owens Illinois	100	9.350	11-01-99	100,000	103,500	9.350
TOTAL	<u>\$ 250</u>			<u>\$ 246,463</u>	<u>\$ 254,438</u>	
TRANSPORTATION						
Union Tank Car	\$ 100	8.600	12-15-81	\$ 100,000	\$ 104,875	8.600
TOTAL	<u>\$ 100</u>			<u>\$ 100,000</u>	<u>\$ 104,875</u>	
PUBLIC UTILITIES						
Public Service Electric & Gas	\$ 6	7.750	08-15-96	\$ 6,000	\$ 5,273	7.750
TOTAL	<u>\$ 6</u>			<u>\$ 6,000</u>	<u>\$ 5,273</u>	
SHORT TERM INVESTMENT POOL	<u>\$ 70</u>			<u>\$ 70,062</u>	<u>\$ 70,062</u>	
TOTAL INVESTMENTS	<u>\$ 936</u>			<u>\$ 931,412</u>	<u>\$ 946,249</u>	

HAIL INSURANCE FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
GOVERNMENT OBLIGATIONS						
FEDERAL AGENCIES						
Federal Land Banks	\$ 450	5.375	07-20-76	\$ 450,000	\$ 448,875	5.375
Federal Land Banks	200	6.350	10-20-77	200,027	198,500	6.346
TOTAL	<u>\$ 650</u>			<u>\$ 650,027</u>	<u>\$ 647,375</u>	
CORPORATE OBLIGATIONS						
INDUSTRIAL						
Firestone Tire & Rubber	\$ 350	7.300	10-15-01	\$ 350,000	\$ 311,500	7.300
TOTAL	<u>\$ 350</u>			<u>\$ 350,000</u>	<u>\$ 311,500</u>	
SHORT TERM INVESTMENT POOL	<u>\$ 991</u>			<u>\$ 991,371</u>	<u>\$ 991,371</u>	
TOTAL INVESTMENTS	<u>\$ 1,991</u>			<u>\$ 1,991,398</u>	<u>\$ 1,950,246</u>	

SOCIAL SECURITY FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
CORPORATE OBLIGATIONS						
BANKERS' ACCEPTANCES						
Rainier National Bank-Seattle	\$ 273	0.000	08-16-76	\$ 270,555	\$ 270,555	5.650
TOTAL	<u>\$ 273</u>			<u>\$ 270,555</u>	<u>\$ 270,555</u>	
COMMERCIAL PAPER						
First Bank System	\$ 1,325	0.000	08-16-76	\$ 1,308,916	\$ 1,308,916	5.750
First Security corp.	1,500	0.000	08-16-76	1,481,792	1,481,792	5.750
First Security Corp.	1,800	0.000	08-16-76	1,779,438	1,779,438	5.875
Northwest Banco	1,675	0.000	08-16-76	1,654,667	1,654,667	5.750
Standard Oil-California	850	0.000	08-16-76	841,040	841,040	5.750
Westshore Pipeline	1,000	0.000	08-16-76	990,208	990,208	5.875
TOTAL	<u>\$ 8,150</u>			<u>\$ 8,056,061</u>	<u>\$ 8,056,061</u>	
PUBLIC UTILITIES						
General Tel.-Kentucky	\$ 500	7.750	10-01-01	\$ 497,370	\$ 426,875	7.804
TOTAL	<u>\$ 500</u>			<u>\$ 497,370</u>	<u>\$ 426,875</u>	
TOTAL INVESTMENTS	<u>\$ 8,923</u>			<u>\$ 8,823,986</u>	<u>\$ 8,753,491</u>	

GAME WARDENS' RETIREMENT FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
GOVERNMENT OBLIGATIONS						
FEDERAL AGENCIES						
Farmers Home Administration	\$ 12	8.750	12-26-94	\$ 12,204	\$ 12,390	8.750
F.N.M.A.	25	5.200	01-19-82	25,000	21,875	5.200
TOTAL	<u>\$ 37</u>			<u>\$ 37,204</u>	<u>\$ 34,265</u>	
CANADIAN OBLIGATIONS						
Municipal Finance Authority of B.C.	\$ 100	8.875	05-01-01	\$ 100,000	\$ 94,750	8.875
Nova Scotia Power	125	8.125	07-15-98	124,702	109,063	8.150
TOTAL	<u>\$ 225</u>			<u>\$ 224,702</u>	<u>\$ 203,813</u>	
CORPORATE OBLIGATIONS						
FINANCIAL						
Commercial Credit	\$ 40	7.750	02-15-92	\$ 39,682	\$ 34,788	7.851
Ford Motor Credit	20	7.250	05-01-79	20,057	19,700	7.150
International Harvester	40	7.500	01-15-94	39,833	33,228	7.550
Northwest Bancorporation	20	7.750	03-15-03	20,000	17,426	7.750
TOTAL	<u>\$ 120</u>			<u>\$ 119,572</u>	<u>\$ 105,142</u>	
INDUSTRIAL						
Atlantic Richfield	\$ 25	7.750	12-15-03	\$ 25,000	\$ 23,018	7.750
Cummins Engine	20	7.400	04-01-97	20,000	17,200	7.400
3M Co.	100	8.850	04-01-05	100,000	103,500	8.850
RCA	25	10.200	08-15-92	25,000	26,250	10.200
TOTAL	<u>\$ 170</u>			<u>\$ 170,000</u>	<u>\$ 169,968</u>	
TRANSPORTATION						
Denver Rio Grande	\$ 35	7.250	11-01-82	\$ 35,235	\$ 35,000	7.100
Exxon Pipeline	75	8.050	10-15-80	75,000	75,908	8.050
Natural Gas Pipeline-America	25	8.350	09-01-93	25,000	23,345	8.350
Union Pacific	50	8.400	03-01-01	50,000	49,475	8.400
TOTAL	<u>\$ 185</u>			<u>\$ 185,235</u>	<u>\$ 183,728</u>	
PUBLIC UTILITIES						
American Tel. & Tel.	\$ 140	4.375	05-01-99	\$ 140,465	\$ 86,100	4.347
American Tel. & Tel.	10	4.375	05-01-99	10,019	6,150	4.360
American Tel. & Tel.	20	8.750	05-15-00	19,597	20,550	8.978
Carolina Tel. & Tel.	25	8.100	11-01-03	25,000	23,063	8.100
Chesapeake & Potomac Tel.-Maryland	20	6.625	10-01-08	20,059	16,000	6.599
Detroit Edison	50	7.375	11-15-01	49,359	36,125	7.501

GAME WARDENS' RETIREMENT FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
PUBLIC UTILITIES						
Detroit Edison	\$ 30	9.875	05-01-04	\$ 29,791	\$ 27,189	9.950
Duquesne Light	20	7.000	01-01-99	19,918	16,126	7.040
General Tel.-California	20	4.500	03-01-95	20,000	12,176	4.500
General Tel.-Northwest	50	7.875	05-01-02	50,379	44,190	7.798
Kansas City Power & Light	25	5.750	05-15-97	25,072	18,033	5.723
Minnesota Power & Light	100	10.500	08-01-05	100,000	107,630	10.500
Montana Power	30	8.625	03-01-04	30,074	29,400	8.600
Mountain States Tel. & Tel.	50	5.600	04-01-00	51,618	32,690	4.749
Mountain States Tel. & Tel.	25	6.000	08-01-07	25,000	18,408	5.947
Mountain States Tel. & Tel.	25	7.750	06-01-13	25,000	22,875	7.750
Ohio Bell Tel.	45	6.750	07-01-08	45,196	36,450	6.713
Pacific Northwest Bell Tel.	25	6.750	12-01-07	25,300	20,125	6.649
Pacific Northwest Bell Tel.	40	8.625	10-01-10	42,131	39,236	8.115
Potomac Electric Power	50	5.875	05-01-02	41,624	34,250	7.500
Public Service-Colorado	25	5.375	05-01-96	25,000	17,250	5.375
Southern Bell Tel. & Tel.	25	4.375	08-01-03	24,952	14,470	4.388
Southwestern Bell Tel.	15	6.750	06-01-08	15,536	12,141	6.459
Southwestern Bell Tel.	20	8.250	09-01-05	20,433	19,194	8.036
TOTAL	<u>\$ 885</u>			<u>\$ 881,523</u>	<u>\$ 709,821</u>	
MORTGAGES	<u>\$ 90</u>			<u>\$ 89,763</u>	<u>\$ 89,763</u>	
SHORT TERM INVESTMENT POOL	<u>\$ 34</u>			<u>\$ 33,600</u>	<u>\$ 33,600</u>	
TOTAL INVESTMENTS	<u><u>\$ 1,746</u></u>			<u><u>\$ 1,741,599</u></u>	<u><u>\$ 1,530,100</u></u>	

CAPITOL BUILDING FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
GOVERNMENT OBLIGATIONS						
FEDERAL AGENCIES						
F.N.M.A.	\$ 50	6.500	06-10-77	\$ 48,868	\$ 49,813	9.300
TOTAL INVESTMENTS	<u><u>\$ 50</u></u>			<u><u>\$ 48,868</u></u>	<u><u>\$ 49,813</u></u>	

LONG RANGE BUILDING SINKING FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
CERTIFICATES OF DEPOSIT						
Midland National Bank-Billings	\$ 272	7.250	12-09-76	\$ 272,000	\$ 272,000	7.250
TOTAL	<u>\$ 272</u>			<u>\$ 272,000</u>	<u>\$ 272,000</u>	
GOVERNMENT OBLIGATIONS						
U.S. TREASURY						
U.S. Treasury Notes	\$ 1,000	6.000	11-15-78	\$ 1,000,000	\$ 977,500	6.000
TOTAL	<u>\$ 1,000</u>			<u>\$ 1,000,000</u>	<u>\$ 977,500</u>	
FEDERAL AGENCIES						
Federal Home Loan Corp.	\$ 500	7.050	08-25-76	\$ 500,000	\$ 501,725	7.050
F.N.M.A.	125	7.500	09-10-76	125,000	125,234	7.500
Federal Intermediate Credit Banks	1,500	8.700	04-04-77	1,500,000	1,518,750	8.700
TOTAL	<u>\$ 2,125</u>			<u>\$ 2,125,000</u>	<u>\$ 2,145,709</u>	
TOTAL INVESTMENTS	<u>\$ 3,397</u>			<u>\$ 3,397,000</u>	<u>\$ 3,395,209</u>	

LONG RANGE BUILDING FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
GOVERNMENT OBLIGATIONS						
U.S. TREASURY						
U.S. Treasury Notes	\$ 500	6.000	11-15-78	\$ 499,709	\$ 488,750	6.031
TOTAL	<u>\$ 500</u>			<u>\$ 499,709</u>	<u>\$ 488,750</u>	
SHORT TERM INVESTMENT POOL	<u>\$ 10,027</u>			<u>\$ 10,026,966</u>	<u>\$ 10,026,966</u>	
TOTAL INVESTMENTS	<u>\$ 10,527</u>			<u>\$ 10,526,675</u>	<u>\$ 10,515,716</u>	

MONTANA JUDGES' RETIREMENT FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
GOVERNMENT OBLIGATIONS						
FEDERAL AGENCIES						
Farmers Home Administration	\$ 24	8.750	12-26-94	\$ 23,743	\$ 24,780	8.750
TOTAL	<u>\$ 24</u>			<u>\$ 23,743</u>	<u>\$ 24,780</u>	
CANADIAN OBLIGATIONS						
Municipal Finance Authority of B.C.	\$ 100	8.875	05-01-01	\$ 100,000	\$ 94,750	8.875
TOTAL	<u>\$ 100</u>			<u>\$ 100,000</u>	<u>\$ 94,750</u>	
CORPORATE OBLIGATIONS						
FINANCIAL						
Commercial Credit	\$ 25	7.750	02-15-92	\$ 24,801	\$ 21,743	7.851
Ford Motor Credit	25	7.250	05-01-79	25,071	24,625	7.150
Northwest Bancorporation	60	7.750	03-15-03	60,000	52,278	7.750
TOTAL	<u>\$ 110</u>			<u>\$ 109,872</u>	<u>\$ 98,646</u>	
INDUSTRIAL						
American Cyanamid	\$ 50	8.375	03-15-06	\$ 49,752	\$ 49,775	8.420
Atlantic Richfield	25	7.750	12-15-03	25,000	23,018	7.750
Cummins Engine	40	7.400	04-01-97	40,000	34,400	7.400
3M Co.	100	8.850	04-01-05	100,000	103,500	8.850
RCA	25	10.200	08-15-92	25,000	26,250	10.200
TOTAL	<u>\$ 240</u>			<u>\$ 239,752</u>	<u>\$ 236,943</u>	
TRANSPORTATION						
Denver Rio Grande	\$ 30	7.250	11-01-82	\$ 30,202	\$ 30,000	7.100
Exxon Pipeline	100	8.050	10-15-80	100,000	101,210	8.050
Lakehead Pipeline	15	7.600	06-15-97	15,000	13,332	7.600
TOTAL	<u>\$ 145</u>			<u>\$ 145,202</u>	<u>\$ 144,542</u>	
PUBLIC UTILITIES						
American Tel. & Tel.	\$ 25	8.750	05-15-00	\$ 24,495	\$ 25,688	8.978
Carolina Tel. & Tel.	25	8.100	11-01-03	25,000	23,063	8.100
Chesapeake & Potomac Tel.-Maryland	30	6.625	10-01-08	30,090	24,000	6.599
Connecticut Light & Power	35	6.500	01-01-98	35,000	26,208	6.500
Detroit Edison	50	7.375	11-15-01	49,365	36,125	7.501
Detroit Edison	30	9.875	05-01-04	29,791	27,189	9.950
Duquesne Light	35	7.000	01-01-99	34,858	28,221	7.040
Hawaiian Electric	50	8.350	12-01-03	50,000	45,315	8.350
Montana Power	25	8.625	03-01-04	25,062	24,500	8.600

MONTANA JUDGES' RETIREMENT FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
PUBLIC UTILITIES						
Mountain States Tel. & Tel.	\$ 100	6.000	08-01-07	\$ 100,000	\$ 73,630	6.000
Mountain States Tel. & Tel.	90	6.000	08-01-07	90,000	66,267	5.947
Mountain States Tel. & Tel.	20	7.750	06-01-13	20,000	18,300	7.750
Northwestern Bell Tel.	15	7.000	01-01-09	15,000	12,488	7.000
Ohio Bell Tel.	38	6.750	07-01-08	38,165	30,780	6.713
Pacific Northwest Bell Tel.	35	6.750	12-01-07	35,713	28,175	6.580
United Tel.-Ohio	30	7.600	08-01-02	30,000	25,764	7.600
TOTAL	<u>\$ 633</u>			<u>\$ 632,539</u>	<u>\$ 515,713</u>	
MORTGAGES	<u>\$ 146</u>			<u>\$ 146,255</u>	<u>\$ 146,255</u>	
SHORT TERM INVESTMENT POOL	<u>\$ 40</u>			<u>\$ 39,750</u>	<u>\$ 39,750</u>	
TOTAL INVESTMENTS	<u><u>\$ 1,438</u></u>			<u><u>\$ 1,437,113</u></u>	<u><u>\$ 1,301,379</u></u>	

STATEWIDE POLICE RESERVE FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
MONTANA OBLIGATIONS						
City of Havre City Hall Bonds	\$ 50	6.000	06-01-88	\$ 50,000	\$ 50,000	6.000
TOTAL	<u>\$ 50</u>			<u>\$ 50,000</u>	<u>\$ 50,000</u>	
GOVERNMENT OBLIGATIONS						
U.S. TREASURY						
U.S. Treasury Notes-Billings	\$ 10	6.250	08-15-79	\$ 10,000	\$ 9,725	6.250
U.S. Treasury Notes-Great Falls	100	6.000	11-15-78	100,313	97,750	6.000
U.S. Treasury Bonds-Great Falls	35	3.500	02-15-90	35,000	28,459	3.500
TOTAL	<u>\$ 145</u>			<u>\$ 145,313</u>	<u>\$ 135,934</u>	
SHORT TERM INVESTMENT POOL	<u>\$ 3,194</u>			<u>\$ 3,193,696</u>	<u>\$ 3,193,696</u>	
TOTAL INVESTMENTS	<u><u>\$ 3,389</u></u>			<u><u>\$ 3,389,009</u></u>	<u><u>\$ 3,379,630</u></u>	

HIGHWAY PATROL RETIREMENT FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
GOVERNMENT OBLIGATIONS						
U.S. TREASURY						
U.S. Treasury Notes	\$ 28	6.250	08-15-79	\$ 28,000	\$ 27,230	6.250
TOTAL	<u>\$ 28</u>			<u>\$ 28,000</u>	<u>\$ 27,230</u>	
FEDERAL AGENCIES						
Farmers Home Administration	\$ 53	8.750	02-24-95	\$ 53,228	\$ 54,723	8.750
TOTAL	<u>\$ 53</u>			<u>\$ 53,228</u>	<u>\$ 54,723</u>	
U.S. GOVERNMENT GUARANTEED						
Global Marine Deepwater Drilling	\$ 100	8.500	03-01-98	\$ 100,000	\$ 99,980	8.500
TOTAL	<u>\$ 100</u>			<u>\$ 100,000</u>	<u>\$ 99,980</u>	
CANADIAN OBLIGATIONS						
Manitoba Hydro-Electric	\$ 200	9.250	01-15-06	\$ 198,029	\$ 197,000	9.350
TOTAL	<u>\$ 200</u>			<u>\$ 198,029</u>	<u>\$ 197,000</u>	
CORPORATE OBLIGATIONS						
FINANCIAL						
Beneficial	\$ 75	8.000	06-15-01	\$ 75,000	\$ 74,250	8.000
First Bank System	100	6.750	09-15-79	100,000	95,880	6.750
International Harvester Credit	100	7.500	01-15-94	99,582	83,070	7.550
Northwest Bancorporation	45	7.750	03-15-03	45,000	39,209	7.750
TOTAL	<u>\$ 320</u>			<u>\$ 319,582</u>	<u>\$ 292,409</u>	
INDUSTRIAL						
Atlantic Richfield	\$ 35	7.750	12-15-03	\$ 35,000	\$ 32,225	7.750
Continental Oil	100	8.875	06-01-01	99,751	101,250	8.900
Cummins Engine	125	7.400	04-01-97	125,000	107,500	7.400
3M Co.	200	8.850	04-01-05	200,000	207,000	8.850
RCA	25	10.200	08-15-92	25,000	26,250	10.200
Sherwin Williams	120	9.450	12-01-99	120,000	122,556	9.450
Union Oil-California	200	8.625	03-01-06	198,516	197,000	8.700
TOTAL	<u>\$ 805</u>			<u>\$ 803,267</u>	<u>\$ 793,781</u>	
TRANSPORTATION						
Denver Rio Grande	\$ 35	7.250	11-01-82	\$ 35,235	\$ 35,000	7.100
Exxon Pipeline	100	8.050	10-15-80	100,000	101,210	8.050
Lakehead Pipeline	35	7.600	06-15-97	35,000	31,108	7.600
Natural Gas Pipeline-America	40	8.350	09-01-93	40,000	37,352	8.350

HIGHWAY PATROL RETIREMENT FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
TRANSPORTATION						
Southern Railway	\$ 200	7.000	01-15-81	\$ 200,000	\$ 198,000	7.000
Union Pacific	100	8.400	03-01-01	100,000	98,950	8.400
TOTAL	<u>\$ 510</u>			<u>\$ 510,235</u>	<u>\$ 501,620</u>	
PUBLIC UTILITIES						
Alabama Power	\$ 40	7.875	04-01-02	\$ 40,713	\$ 33,800	7.700
American Tel. & Tel.	20	7.000	02-15-01	19,877	17,288	7.060
American Tel. & Tel.	25	8.700	12-01-02	25,000	25,250	8.700
Baltimore Gas & Electric	20	6.125	08-01-97	18,507	14,776	6.939
California Electric Power	100	5.125	05-01-90	83,807	70,250	7.214
Carolina Tel. & Tel.	50	8.100	11-01-03	50,000	46,125	8.100
Chesapeake & Potomac Tel.-Maryland	15	6.625	10-01-08	15,043	12,000	6.599
Detroit Edison	10	8.125	06-15-01	9,958	7,842	8.170
Detroit Edison	40	9.875	05-01-04	39,721	36,252	9.950
General Tel.-Northwest	40	7.875	05-01-02	40,303	35,352	7.798
Hartford Electric	50	5.625	04-01-97	42,193	32,065	7.248
Kansas City Power & Light	17	9.125	06-01-00	16,898	17,065	9.199
Metropolitan Edison	200	5.750	06-01-96	167,639	142,260	7.508
Michigan Bell Tel.	100	6.375	02-01-05	100,606	76,250	6.319
Michigan Bell Tel.	10	7.750	06-01-11	9,993	9,013	7.800
Minnesota Power & Light	150	10.500	08-01-05	150,000	161,445	10.500
Montana Power	45	8.625	03-01-04	45,111	44,100	8.600
Mountain States Tel. & Tel.	50	7.750	06-01-13	50,000	45,750	7.750
Northern States Power	100	7.375	03-01-02	100,260	86,250	7.349
Northwestern Bell Tel.	30	7.000	01-01-09	30,184	24,975	6.944
Pacific Northwest Bell Tel.	28	7.750	08-01-09	28,000	25,399	7.750
Pacific Tel. & Tel.	65	6.500	07-01-03	65,755	50,785	6.391
Potomac Electric Power	50	5.875	05-01-02	41,624	34,250	7.500
Public Service-New Hampshire	125	7.125	11-01-98	119,242	96,875	7.600
Public Service Electric & Gas	80	7.750	08-15-96	80,000	70,304	7.750
Public Service Electric & Gas	30	7.750	08-15-96	30,279	26,364	7.646
United Tel.—Ohio	15	7.600	08-01-02	15,000	12,882	7.600
Wisconsin Public Service	45	8.250	05-01-01	45,207	42,359	8.199
TOTAL	<u>\$ 1,550</u>			<u>\$ 1,480,920</u>	<u>\$ 1,297,326</u>	
SHORT TERM INVESTMENT POOL	<u>\$ 8</u>			<u>\$ 8,154</u>	<u>\$ 8,154</u>	
TOTAL INVESTMENTS	<u><u>\$ 3,574</u></u>			<u><u>\$ 3,501,415</u></u>	<u><u>\$ 3,272,223</u></u>	

SHERIFF'S RETIREMENT FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
GOVERNMENT OBLIGATIONS						
REPURCHASE AGREEMENTS						
Seattle First National Bank-Seattle	\$ 550	5.250	07-01-76	\$ 550,000	\$ 550,000	5.250
TOTAL	<u>\$ 550</u>			<u>\$ 550,000</u>	<u>\$ 550,000</u>	
U.S. TREASURY						
U.S. Treasury Notes	\$ 150	7.875	11-15-82	\$ 149,479	\$ 151,313	7.951
TOTAL	<u>\$ 150</u>			<u>\$ 149,479</u>	<u>\$ 151,313</u>	
U.S. GOVERNMENT GUARANTEED						
El Paso Columbia Tanker MM	\$ 250	9.250	03-31-03	\$ 250,000	\$ 269,688	9.250
TOTAL	<u>\$ 250</u>			<u>\$ 250,000</u>	<u>\$ 269,688</u>	
CANADIAN OBLIGATIONS						
Municipal Finance Authority of B.C.	\$ 100	8.875	05-01-01	\$ 100,000	\$ 94,750	8.875
TOTAL	<u>\$ 100</u>			<u>\$ 100,000</u>	<u>\$ 94,750</u>	
CORPORATE OBLIGATIONS						
FINANCIAL						
Beneficial	\$ 75	8.000	06-15-01	\$ 75,000	\$ 74,250	8.000
TOTAL	<u>\$ 75</u>			<u>\$ 75,000</u>	<u>\$ 74,250</u>	
INDUSTRIAL						
American Cyanamid	\$ 100	8.375	03-15-06	\$ 99,504	\$ 99,500	8.420
Continental Oil	100	8.875	06-01-01	99,751	101,250	8.900
Halliburton	100	9.250	04-01-00	99,525	104,500	9.301
Kerr McGee	200	8.000	07-01-83	198,906	201,250	8.112
3M Co.	100	8.850	04-01-05	100,000	103,500	8.850
TOTAL	<u>\$ 600</u>			<u>\$ 597,686</u>	<u>\$ 610,000</u>	
TRANSPORTATION						
Exxon Pipeline	\$ 225	8.050	10-15-80	\$ 225,000	\$ 227,813	8.050
TOTAL	<u>\$ 225</u>			<u>\$ 225,000</u>	<u>\$ 227,813</u>	
PUBLIC UTILITIES						
Cincinnati Gas & Electric	\$ 200	9.850	05-01-05	\$ 200,000	\$ 216,000	9.850
TOTAL	<u>\$ 200</u>			<u>\$ 200,000</u>	<u>\$ 216,000</u>	
SHORT TERM INVESTMENT POOL	<u>\$ 29</u>			<u>\$ 28,509</u>	<u>\$ 28,509</u>	
TOTAL INVESTMENTS	<u><u>\$ 2,179</u></u>			<u><u>\$ 2,175,674</u></u>	<u><u>\$ 2,222,323</u></u>	

VOLUNTEER FIREMAN'S FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
GOVERNMENT OBLIGATIONS						
U.S. TREASURY						
U.S. Treasury Notes	\$ 65	6.250	08-15-79	\$ 65,000	\$ 63,213	6.250
U.S. Treasury Bonds	35	3.500	11-15-80	34,625	30,275	3.854
U.S. Treasury Bonds	50	3.500	11-15-80	49,253	43,250	3.990
U.S. Treasury Bonds	30	3.500	11-15-98	30,000	24,486	3.500
TOTAL	<u>\$ 180</u>			<u>\$ 178,878</u>	<u>\$ 161,224</u>	
CORPORATE OBLIGATIONS						
FINANCIAL						
General Electric Credit	\$ 100	8.250	02-15-86	\$ 99,518	\$ 99,750	8.320
Sears & Roebuck Acceptance	200	8.375	12-31-86	199,648	211,000	8.400
TOTAL	<u>\$ 300</u>			<u>\$ 299,166</u>	<u>\$ 310,750</u>	
INDUSTRIAL						
American Brands	\$ 100	8.125	03-01-85	\$ 97,646	\$ 100,000	8.520
Owens Illinois	150	9.350	11-01-99	150,000	155,250	9.350
TOTAL	<u>\$ 250</u>			<u>\$ 247,646</u>	<u>\$ 255,250</u>	
TRANSPORTATION						
Southern Railway	\$ 100	7.000	01-15-81	\$ 100,000	\$ 99,000	7.000
Union Tank Car	100	8.600	12-15-81	100,000	104,000	8.600
TOTAL	<u>\$ 200</u>			<u>\$ 200,000</u>	<u>\$ 203,000</u>	
PUBLIC UTILITIES						
Northern States Power	\$ 100	7.375	03-01-02	\$ 100,257	\$ 86,250	7.349
Public Service Electric & Gas	75	7.750	08-15-96	75,000	65,910	7.750
Southeastern Tel.	50	7.650	02-01-97	50,000	43,565	7.650
Wisconsin Tel.	240	7.250	02-01-07	242,628	207,312	7.149
TOTAL	<u>\$ 465</u>			<u>\$ 467,885</u>	<u>\$ 403,037</u>	
SHORT TERM INVESTMENT POOL	<u>\$ 113</u>			<u>\$ 113,338</u>	<u>\$ 113,338</u>	
TOTAL INVESTMENTS	<u>\$ 1,508</u>			<u>\$ 1,506,913</u>	<u>\$ 1,446,599</u>	

UNIVERSITY OF MONTANA POOL FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
CERTIFICATES OF DEPOSIT						
Deer Lodge Bank & Trust-Deer Lodge	\$ 16	6.625	03-15-77	\$ 15,500	\$ 15,500	6.625
TOTAL	<u>\$ 16</u>			<u>\$ 15,500</u>	<u>\$ 15,500</u>	
GOVERNMENT OBLIGATIONS						
U.S. TREASURY						
U.S. Treasury Bonds	\$ 2	4.000	02-15-80	\$ 1,930	\$ 1,797	5.212
U.S. Treasury Bonds	1	4.000	02-15-80	953	899	5.787
U.S. Treasury Bonds	2	3.250	06-15-83	1,916	1,624	4.109
TOTAL	<u>\$ 5</u>			<u>\$ 4,799</u>	<u>\$ 4,320</u>	
TOTAL INVESTMENTS	<u><u>\$ 21</u></u>			<u><u>\$ 20,299</u></u>	<u><u>\$ 19,820</u></u>	

UNIVERSITY OF MONTANA FIELD HOUSE FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
CERTIFICATES OF DEPOSIT						
Deer Lodge Bank & Trust-Deer Lodge	\$ 55	6.625	03-15-77	\$ 55,300	\$ 55,300	6.625
TOTAL	<u>\$ 55</u>			<u>\$ 55,300</u>	<u>\$ 55,300</u>	
GOVERNMENT OBLIGATIONS						
U.S. TREASURY						
U.S. Treasury Notes	\$ 46	6.250	02-15-78	\$ 46,000	\$ 45,540	6.250
U.S. Treasury Bonds	7	4.000	02-15-80	6,239	6,291	5.324
U.S. Treasury Bonds	4	4.000	02-15-80	3,337	3,595	5.787
U.S. Treasury Bonds	4	3.250	06-15-83	3,832	3,248	4.109
TOTAL	<u>\$ 61</u>			<u>\$ 59,408</u>	<u>\$ 58,674</u>	
TOTAL INVESTMENTS	<u><u>\$ 116</u></u>			<u><u>\$ 114,708</u></u>	<u><u>\$ 113,974</u></u>	

WILLIAM L. MURPHY FUND

	SHARES	DIVIDEND	COST	MARKET VALUE	% YIELD*
PREFERRED STOCK					
American General Insurance	160	\$ 1.80	\$ —0—	\$ 3,640	7.912
Montana Power	211	6.00	—0—	13,082	9.677
TOTAL	<u>371</u>		<u>\$ —0—</u>	<u>\$ 16,722</u>	
COMMON STOCK					
Central Illinois Public Service	900	1.28	\$ —0—	\$ 12,600	9.143
Central Soya	700	.60	—0—	10,325	4.068
Central Telephone	600	1.36	—0—	13,200	6.182
First Bank System	800	1.52	—0—	36,400	3.341
W.R. Grace	400	1.70	—0—	11,050	6.154
Kimberly Clark	500	1.80	—0—	21,313	4.223
Montana Power	200	1.80	—0—	4,900	7.347
Mountain States Tel. & Tel.	240	1.68	—0—	5,310	7.593
Nicor	400	2.12	—0—	9,650	8.788
Pacific Power & Light	330	1.80	—0—	6,806	9.000
RCA	1,600	1.00	—0—	46,400	3.448
Transamerica	1,100	.62	—0—	12,100	5.636
Transco Companies	424	.80	—0—	5,777	5.872
Westinghouse	600	.97	—0—	10,425	5.583
TOTAL	<u>8,794</u>		<u>\$ —0—</u>	<u>\$ 206,256</u>	
TOTAL INVESTMENTS			<u>\$ —0—</u>	<u>\$ 222,978</u>	
*Market Yield					

DIXON ENDOWMENT FUND

	SHARES	DIVIDEND	COST	MARKET VALUE	% YIELD*
PREFERRED STOCK					
Montana Power No. 6 Series Shares	640	6.000	\$ —0—	\$ 39,680	9.677
TOTAL INVESTMENTS			<u>\$ —0—</u>	<u>\$ 39,680</u>	
*Market Yield					

NORTHERN MONTANA COLLEGE 1960 SERIES B RESERVE FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
GOVERNMENT OBLIGATIONS						
FEDERAL AGENCIES						
Federal Land Banks	\$ 10	5.375	07-20-76	\$ 9,999	\$ 9,975	5.584
Federal Land Banks	<u>14</u>	<u>5.000</u>	<u>01-22-79</u>	<u>13,907</u>	<u>13,265</u>	<u>5.351</u>
TOTAL INVESTMENTS	<u>\$ 24</u>			<u>\$ 23,906</u>	<u>\$ 23,240</u>	

EASTERN MONTANA COLLEGE TRUST FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
GOVERNMENT OBLIGATIONS						
U.S. TREASURY						
U.S. Treasury Bills	\$ 60	0.000	07-01-76	\$ 58,796	\$ 58,796	4.950
U.S. Treasury Bills	40	0.000	07-27-76	38,626	38,626	5.700
U.S. Treasury Bills	40	0.000	09-30-76	39,421	39,421	5.370
U.S. Treasury Notes	150	6.750	05-31-77	149,940	150,328	6.800
U.S. Treasury Notes	30	6.500	06-30-77	30,037	29,991	6.370
U.S. Treasury Notes	<u>50</u>	<u>7.500</u>	<u>07-31-77</u>	<u>49,829</u>	<u>50,500</u>	<u>7.840</u>
TOTAL INVESTMENTS	<u>\$ 370</u>			<u>\$ 366,649</u>	<u>\$ 367,662</u>	

MONTANA STATE UNIVERSITY PHYSICAL EDUCATION FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
GOVERNMENT OBLIGATIONS						
U.S. TREASURY						
U.S. Treasury Bills	\$ <u>25</u>	0.000	10-21-76	\$ <u>24,350</u>	\$ <u>24,350</u>	5.170
TOTAL INVESTMENTS	<u>\$ 25</u>			<u>\$ 24,350</u>	<u>\$ 24,350</u>	

MONTANA STATE UNIVERSITY CURRENT RESTRICTED FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
CERTIFICATES OF DEPOSIT						
Western Montana National Bank-Missoula	\$ 150	6.000	12-14-76	\$ 150,000	\$ 150,000	6.000
TOTAL	<u>\$ 150</u>			<u>\$ 150,000</u>	<u>\$ 150,000</u>	
SHORT TERM INVESTMENT POOL	\$ 35			\$ 35,328	\$ 35,328	
TOTAL INVESTMENTS	<u>\$ 185</u>			<u>\$ 185,328</u>	<u>\$ 185,328</u>	

MONTANA STATE UNIVERSITY NACUBO FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
CERTIFICATES OF DEPOSIT						
Western Montana National Bank-Missoula	\$ 45	6.000	12-14-76	\$ 45,000	\$ 45,000	6.000
TOTAL	<u>\$ 45</u>			<u>\$ 45,000</u>	<u>\$ 45,000</u>	
SHORT TERM INVESTMENT POOL	\$ 267			\$ 266,648	\$ 266,648	
TOTAL INVESTMENTS	<u>\$ 312</u>			<u>\$ 311,648</u>	<u>\$ 311,648</u>	

MONTANA STATE UNIVERSITY CURRENT DESIGNATED FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
CERTIFICATES OF DEPOSIT						
Western Montana National Bank-Missoula	\$ 5	6.000	12-14-76	\$ 5,000	\$ 5,000	6.000
TOTAL INVESTMENTS	<u>\$ 5</u>			<u>\$ 5,000</u>	<u>\$ 5,000</u>	

LIVESTOCK COMMISSION FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
GOVERNMENT OBLIGATIONS						
FEDERAL AGENCIES						
Federal Land Banks	\$ 60	5.375	07-20-76	\$ 59,997	\$ 59,850	5.521
Federal Land Banks	30	5.125	04-20-78	29,689	28,800	5.831
Federal Land Banks	30	5.000	01-22-79	29,429	28,425	6.597
Federal Land Banks	30	5.000	01-22-79	29,048	28,425	5.936
TOTAL	<u>\$ 150</u>			<u>\$ 148,163</u>	<u>\$ 145,500</u>	
SHORT TERM INVESTMENT POOL	<u>\$ 172</u>			<u>\$ 172,115</u>	<u>\$ 172,115</u>	
TOTAL INVESTMENTS	<u><u>\$ 322</u></u>			<u><u>\$ 320,278</u></u>	<u><u>\$ 317,615</u></u>	

WATER WELL FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
GOVERNMENT OBLIGATIONS						
U.S. TREASURY						
U.S. Treasury Notes	\$ 8	7.750	08-15-77	\$ 8,000	\$ 8,100	7.750
TOTAL INVESTMENTS	<u><u>\$ 8</u></u>			<u><u>\$ 8,000</u></u>	<u><u>\$ 8,100</u></u>	

COSMETOLOGY FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
GOVERNMENT OBLIGATIONS						
FEDERAL AGENCIES						
Federal Land Banks	\$ 5	5.125	04-20-78	\$ 4,932	\$ 4,800	6.142
TOTAL INVESTMENTS	<u><u>\$ 5</u></u>			<u><u>\$ 4,932</u></u>	<u><u>\$ 4,800</u></u>	

RESOURCE INDEMNITY FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
GOVERNMENT OBLIGATIONS						
FEDERAL AGENCIES						
F.N.M.A.	\$ 250	9.700	09-10-81	\$ 250,000	\$ 269,063	9.700
TOTAL	<u>\$ 250</u>			<u>\$ 250,000</u>	<u>\$ 269,063</u>	
CANADIAN OBLIGATIONS						
Manitoba Hydro Electric	\$ 200	9.250	01-15-06	\$ 198,029	\$ 197,000	9.350
Quebec Hydro Electric	100	10.250	01-15-05	100,000	105,000	10.250
TOTAL	<u>\$ 300</u>			<u>\$ 298,029</u>	<u>\$ 302,000</u>	
CORPORATE OBLIGATIONS						
FINANCIAL						
General Electric Credit	\$ 500	8.875	06-01-82	\$ 500,000	\$ 498,750	8.875
General Motors Acceptance	350	8.875	06-01-99	348,795	357,000	8.910
Manufacturers Hanover	500	8.375	12-01-82	500,000	503,125	8.375
TOTAL	<u>\$ 1,350</u>			<u>\$ 1,348,795</u>	<u>\$ 1,358,875</u>	
INDUSTRIAL						
Continental Oil	\$ 500	8.875	06-01-01	\$ 498,754	\$ 506,250	8.900
Ingersoll Rand	200	8.750	05-01-85	199,470	193,000	8.796
Kerr McGee	300	8.000	07-01-83	298,359	301,875	8.112
Kerr McGee	500	8.500	06-01-06	496,255	497,500	8.570
Sears & Roebuck	300	8.000	04-01-06	299,254	291,000	8.020
Sybron	500	9.125	05-01-85	500,000	511,250	9.125
TOTAL	<u>\$ 2,300</u>			<u>\$ 2,292,092</u>	<u>\$ 2,300,875</u>	
PUBLIC UTILITIES						
Northern Natural Gas	\$ 500	9.000	05-01-85	\$ 497,783	\$ 519,375	9.076
TOTAL	<u>\$ 500</u>			<u>\$ 497,783</u>	<u>\$ 519,375</u>	
SHORT TERM INVESTMENT POOL						
	<u>\$ 855</u>			<u>\$ 855,322</u>	<u>\$ 855,322</u>	
TOTAL INVESTMENTS	<u><u>\$ 5,555</u></u>			<u><u>\$ 5,542,021</u></u>	<u><u>\$ 5,605,510</u></u>	

TEACHERS' RETIREMENT FULLAM FUND

	PAR VALUE	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	% YIELD*
CORPORATE OBLIGATIONS						
CONVERTIBLE						
Avco Financial	\$ 1,800	5.500	11-30-93	\$ —0—	\$ 1,044	10.948
TOTAL	<u>\$ 1,800</u>			<u>\$ —0—</u>	<u>\$ 1,044</u>	
COMMON STOCK						
	SHARES	DIVIDEND				
American Express	105	.80		\$ —0—	\$ 3,833	2.192
Bank of America	62	1.56		—0—	3,488	2.773
Iowa Public Service	63	1.72		—0—	1,213	8.935
Mississippi Valley Gas	45	1.28		—0—	574	10.039
Montana Power	75	1.80		—0—	1,838	7.347
George Putnam Fund	6	.50		—0—	82	3.652
Southern California Edison	117	1.68		—0—	2,296	8.561
Southern Union Gas	78	1.76		—0—	2,720	5.047
Technology Fund	19	0.12		—0—	144	1.581
U.S. Steel	55	2.20		—0—	2,984	4.055
TOTAL	<u>625</u> Shares			<u>\$ —0—</u>	<u>\$ 19,172</u>	
SHORT TERM INVESTMENT POOL	<u>\$ 1,013</u>			<u>\$ 1,013</u>	<u>\$ 1,013</u>	
TOTAL INVESTMENTS	<u><u>\$ 2,813</u></u>			<u><u>\$ 1,013</u></u>	<u><u>\$ 21,229</u></u>	
*MARKET YIELD						

TRUST CONTRACTORS' LICENSE FUND

	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD
GOVERNMENT OBLIGATIONS						
U.S. TREASURY						
U.S. Treasury Bills	\$ 1,700	0.000	02-08-77	\$ 1,606,922	\$ 1,606,922	5.460
U.S. Treasury Bills	<u>2,130</u>	0.000	05-03-77	<u>2,004,472</u>	<u>2,004,472</u>	6.240
TOTAL INVESTMENTS	<u><u>\$ 3,830</u></u>			<u><u>\$ 3,611,394</u></u>	<u><u>\$ 3,611,394</u></u>	

SHORT TERM INVESTMENT POOL*

	PAR VALUE	COST	MARKET VALUE
Highway Complex Headquarters Fund	\$ 7,317,684	\$ 7,317,684	\$ 7,317,684
Common School Interest & Income Fund	5,548,001	5,548,001	5,548,001
Local Impact Fund	3,702,875	3,702,875	3,702,875
Federal Revenue Sharing—Capitol Const. Fund	2,540,732	2,540,732	2,540,732
Educational Trust Fund	2,174,008	2,174,008	2,174,008
Land & Resource Development Fund	679,294	679,294	679,294
Experiment Station Fund	622,110	622,110	622,110
Renewable Resources Dev. Fund	557,697	557,697	557,697
M.C.M.S.T. Unexpended Plant Fund	319,541	319,541	319,541
Coal Tax Park Fund	278,150	278,150	278,150
E.M.C. Current Designated Fund	253,283	253,283	253,283
AES Restricted Fund	189,053	189,053	189,053
Montana Rural Rehab. Fund	172,793	172,793	172,793
M.S.U. Endowment Fund	153,843	153,843	153,843
M.S.U. Auxiliary Enterprises Fund	141,555	141,555	141,555
M.C.M.S.T. Current Restricted Fund	117,473	117,473	117,473
E.M.C. Nacubo Agency Fund	109,215	109,215	109,215
U.M. Fund to Retire Indebt.	100,293	100,293	100,293
M.C.M.S.T. Endowment Fund	93,387	93,387	93,387
M.C.M.S.T. Loan Fund	92,299	92,299	92,299
Donable Property Fund	83,370	83,370	83,370
Livestock Board—Emergency Fund	83,061	83,061	83,061
Wheat Research Fund	79,798	79,798	79,798
N.M.C. Nacubo Fund	68,406	68,406	68,406
Oil & Gas Fund	47,957	47,957	47,957
M.C.M.S.T. Agency Fund	30,680	30,680	30,680
M.S.U. Unexpended Plant Fund	29,416	29,416	29,416
N.M.C. Current Designated Student Fund	29,118	29,118	29,118
No. Mt. Branch Station Fund	28,375	28,375	28,375
E.M.C. Auxiliary Enterprises Fund	27,258	27,258	27,258
M.C.M.S.T. Auxiliary Enterprises Fund	18,310	18,310	18,310
Experiment Station—Fertilizer Fund	18,268	18,268	18,268
M.C.M.S.T. Current Designated Fund	14,193	14,193	14,193
Water & Waste Water Fund	14,097	14,097	14,097
N.M.C. Endowment Fund	5,025	5,025	5,025
Experiment Station—Agriculture Fund	3,033	3,033	3,033
N.M.C. Fund to Retire Indebt.	2,034	2,034	2,034
Sanitarrians Registration Fund	2,015	2,015	2,015
N.M.C. Current Restricted Fund	1,005	1,005	1,005
	<u>\$ 25,748,705</u>	<u>\$ 25,748,705</u>	<u>\$ 25,748,705</u>

*Funds which have their total resources invested in S.T.I.P.

